



e-FILING REPORT COVER SHEET

COMPANY NAME:

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Select report type: RE (Electric) RG (Gas) RW (Water) RT (Telecommunications)
RO (Other, for example, industry safety information)

Did you previously file a similar report? No Yes, report docket number:

Report is required by: OAR
Statute
Order

Note: A one-time submission required by an order is a compliance filing and not a report (file compliance in the applicable docket)

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Is this report associated with a specific docket/case? No Yes, docket number:

List Key Words for this report. We use these to improve search results.

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ROATS
WATER SYSTEM INC

January 5, 2024

Filing Center
Oregon Public Utility Commission
201 High St SE
Salem, OR 97301

RE: General Rate Filing

To whom it may concern:

Roats Water System, Inc., submitted a general rate filing to the Public Utility Commission on January 5, 2024. The purpose of this filing is to increase water service rate tariffs filed with the Public Utility Commission.

The request for an increase in rates is due to the significant increases in operating expenses such as wages, electricity and various other costs. The rate of return on the rate base is a usual and reasonable return based on the company's current capital structure and related interest rates. Calculation of rate of return is consistent with method used in last rate case.

Please direct any questions or notifications of action taken on this filing to William K. Roats at (541) 382-3029 or bill@roatswater.com.

Sincerely,

/s/ William K. Roats

William K. Roats
Roats Water System, Inc.

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

FROM:

Roats Water System, Inc.
(Company name)

61147 Hamilton Lane
(Address)

Bend, Oregon 97702
(City, State, Zip)

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

In the Matter of Tariffs for Water Service)
in the State of Oregon filed by) **BRIEF**
Roats Water System, Inc.)
(Company name))

William K Roats

(Name of utility owner)

In accordance with Oregon Revised Statutes [757.205](#) and [757.220](#), herewith files tariff sheets designated as PUC Oregon No. 5, Original Tariff Sheets No. 1 through 33 to become effective for service rendered on and after March 1, 2024 (at least 30 days after PUC receives the filing). The purpose of this filing is to:

- 1) Establish rates resulting in total annual revenues of \$2726041.
- 2) This is an increase or decrease to the utility's total annual revenues from \$2441389 to \$2726041, resulting in a net increase of \$284652 or 11.72 percent. After deducting for operating expenses, the projected revenues will produce an 8.44 percent return on a rate base of \$3649256.

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 on September 30, 2023.

/s/
(Signature of utility owner or officer)

William K Roats
(Printed name of owner or officer)

Roats Water System, Inc.
(Legal name of Utility)

January 5, 2024
(Date)

Owner/President
(Title or position)

Attachment

WATER UTILITY TESTIMONY

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

A.

Legal Name	Roats Water System, Inc.		
Business Address	61147 Hamilton Lane		
City, State, Zip	Bend, Oregon, 97702		
Telephone Number	541-382-3029	Emergency Number	541-382-3029
Fax Number	541-382-2292	Email Address	office@roatswater.com

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

A.

Name	William K. Roats		
Title	Owner/President		
Address	61147 Hamilton Lane		
City, State, Zip	Bend, Oregon, 97702		
Telephone Number	541-382-3029	Emergency Number	541-382-3029
Fax Number	541-382-2292	Email Address	bill@roatswater.com

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

A.

Operator Name	William C. Roats		
Address	61147 Hamilton Lane		
City, State, Zip	Bend, Oregon, 97702		
Telephone #	541-382-3029	E-Mail Address	casey@roatswater.com
Certified Operator <input checked="" type="checkbox"/> yes <input type="checkbox"/> no	Certification Level WD-2	Registration Number D-3250	

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

A. The utility's accountant or bookkeeper is:

Name	Michelle R. Berg
Address	61147 Hamilton Lane
City, State, Zip	Bend, Oregon, 97702
Telephone Number	541-382-3029
E-Mail Address	michelle@roatswater.com

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

A. The utility owners are:

Name	William K. Roats (Bill) & Shirley Roats
Address	61147 Hamilton Rd
City, State, Zip	Bend, Oregon, 97702
Telephone Number	541-382-3029

Name	William C. Roats (Casey)
Address	61147 Hamilton Rd
City, State, Zip	Bend, Oregon, 97702
Telephone Number	541-382-3029

Name	Michelle R. Berg
Address	61147 Hamilton Rd
City, State, Zip	Bend, Oregon, 97702
Telephone Number	541-382-3029

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

A. The utility officers are:

Name	William K. Roats		
Title	President		
Address	61147 Hamilton Rd		
City, State, Zip	Bend, Oregon, 97702		
# of Hours Worked	2080	Annual Salary	██████
Phone Number	541-382-3029		
E-Mail Address	bill@roatswater.com		

Name	William C. Roats		
Title	Vice President		
Address	61147 Hamilton Rd		
City, State, Zip	Bend, Oregon, 97702		
Hours Worked	2080	Annual Salary	██████
Phone Number	541-382-3029		
E-Mail Address	office@roatswater.com		

Name	Michelle R. Berg		
Title	Secretary-Treasurer		
Address	61147 Hamilton Rd		
City, State, Zip	Bend, Oregon, 97702		
Hours Worked	2080	Annual Salary	██████
Phone Number	541-382-3029		
E-Mail Address	michelle@roatswater.com		

Name	Shirley Roats		
Title	Retired effective 10/1/23		
Address	61147 Hamilton Rd		
City, State, Zip	Bend, Oregon, 97702		
Hours Worked	2080	Annual Salary	██████
Phone Number	541-382-3029		
E-Mail Address	office@roatswater.com		

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

A. My affiliation with the water utility and current responsibilities are: I am president and majority shareholder of Roats Water System, Inc., My duties are to oversee all the business and operations of the company.

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

A. No, I am not engaged in other business.

Yes, I am engaged in other business: I own an excavation business; however the business is kept separate from the water company. The excavation company does not do any work for the water company.

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 \$2441389. The utility seeks a rate:
 An increase of \$284652 or 11.7 percent in current annual revenues, resulting in total annual revenues of \$2726041.

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

- A. The utility is seeking this change in rates because of increased operating expenses.

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 October 1, 2022, to September 30, 2023.

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

- A. The utility rate base is \$3649256.

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

- A. The utility is seeking a 8.44 percent rate of return on a rate base because it is a usual and reasonable return based on the company's current capital structure and related interest rates. Calculation of rate of return is consistent with method used in last rate case.

GENERAL UTILITY INFORMATION

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

- A. The water utility was legally organized on 1963, under the laws of the State of Oregon as a:
 Proprietorship Partnership Corporation LLC Other: _____

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

- A. The system was originally constructed in 1963, and began providing service in 1963.

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

- A. The utility was: Purchased Constructed Inherited Other on 08/95 (mo./yr.).

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

- A. No, oral or written contracts **exist** between the utility and its owners and affiliated interests.
 Yes, PUC approved contracts exist between the utility and its owners and affiliated interests.
See PUC Orders No. 04-233, 13-066, 07-398, 22-121, 22-122, 22-123.
 Yes, oral or written contracts do exist, but have not been approved by PUC.

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

- A. No, the utility has not filed an application with PUC for an approved service territory.
 Yes, the utility's service territory is approved by the PUC, per Order No. 03-288.

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

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

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

- A. The utility currently employs 9 full-time and 0 part-time employees.

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

A. Current employee detail is listed below:

Name	Position	Responsibilities	Schedule	Wage/Salary
William K. Roats	Owner/President	Oversees company operations	176+	██████
William C. Roats	Vice President	Operations & maintenance manager	176+	██████
Michelle R. Berg	Sec-Treasurer	Accounting & administration management	176+	██████
Deborah Breadon	Customer Service	Customer service & billing	133+	██████
Lynn E. Perry	Bookkeeper & operations	Bookkeeping assistant & service operations coordination	176+	██████
Daniel Brush	Operation & Fleet Manager	Operations & fleet service management	176+	██████
Timothy Coleman	Service office & Field	Field operations & maintenance	176+	██████
Sean Hoover	Service Office & Field	Field operations & maintenance	176+	██████
Christopher Elston	Service Office & Field	Field operations & maintenance	176+	██████
TOTAL				██████

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

- A. No, the utility does not propose adding any full- or part-time employees.
 Yes, the utility proposes to add 1 full-time and/or 0 part-time employees as described below:

Proposed Position	Responsibilities/Duties	Schedule	Wage/ Salary
Field operations & maintenance	Field operations & backflow tester	176+	██████

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

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

Name of Independent Contractors	Description of Services	Annual Charges
Engineering	SEE ATTACHED	\$
Accounting		\$
Legal		\$
Management		\$
Water Testing /Sampling		\$
Labor		\$
Billing and Collection		\$
Meter Reading		\$
Other (specify)		\$

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

- A. The utility's capital structure is:

Debt	Original Balance	Outstanding Balance	Loan Terms	Interest Rate
City of Bend	\$ 1400000	\$ 1284639	20 Years	6.5%
TOTAL DEBT	\$	\$ 1284639		
TOTAL EQUITY	\$	\$ 2364617		9.5%

OPERATING REVENUES

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

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

Acct #	OPERATING REVENUE	Test Year	Proposed Adj.	(A + B = C) \$
460	Unmetered Water Sales	\$	\$	\$
461	Metered Residential Water Sales	\$1408673	\$232728	\$1641401
461	Metered Commercial/Industrial Water Sales	\$429555	\$70967	\$500522
461	Metered Sales to Public Authorities		\$	\$
461	Metered Sales to Multiple Family Dwellings	\$	\$	\$
461	Metered Sales to Multiple Commercial Unit/Bldg	\$	\$	\$
461	Sales to Water Hauling Services	\$6	\$(6)	\$0
462	Fire Protection Sales Revenue	\$32903	\$5436	\$38339
464	Special Contract Water Sales to Public Authorities	\$	\$	\$
465	Irrigation Water Sales	\$280213	\$26922	\$307135
466	Wheeling Fee	64800	\$6226	\$71026
467	Mobile Home Parks/ RV Parks	\$161967	\$4671	\$166638
468	Special Contract Revenue	\$	\$	\$
	Other	\$63272	\$(62292)	\$980
TOTAL REVENUE		\$2441389	\$284652	\$2726041

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

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

DESCRIPTION OF REVENUE OTHER THAN WATER SALES	ANNUAL AMOUNT
Miscellaneous Fees (i.e. late fees, disconnections, field visits, etc.)	\$ 980
Backflow Prevention Device Services (if offered)	\$ 61219
Rents from Water Property Acct 472	\$
Non water charges to customer	\$ 1073
	\$
TOTAL	\$ 63272

OPERATING EXPENSES

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

A. Test period expenses, proposed expense adjustments, and proposed expense results

Acct #	OPERATING EXPENSES	Test Year	Proposed Adj.	(A + B = C) \$
601	Salaries & Wages – Employees			
603	Salaries & Wages – Officers, Directors			
604	Employee Pensions and Benefits	\$ 134674	\$ 64746	\$ 199420
606	Uniforms & Other EE expenses	5323		5323
610	Purchased Water	\$ 108241	\$ 3549	\$ 111790
611	Telephone/Communications	\$ 21321	\$	\$ 21321
615	Purchased Power	\$ 195845	\$ (4740)	\$ 191105
616	Wheeling Fee	16065		16065
617	Utility Services (garbage, gas)	\$ 7650	\$	\$ 7650
619	Office Supplies	\$ 17968	\$	\$ 17968
619.1	Postage	\$ 746	\$	\$ 746
620	Materials/Supplies (O&M)	\$ 37581	\$	\$ 37581
621	Repairs to Water Plant	\$ 15086	\$ 12497	\$ 27583
625	Equipment Repairs	14782		14782
631	Contractual Services – Engineering	\$ 6899	\$ (5705)	\$ 1194
632	Contractual Services – Accounting	\$ 46734	\$ (4608)	\$ 42126
633	Contractual Services – Legal	\$ 1105	\$	\$ 1105
635	Contractual Services – Testing	\$ 9609	\$	\$ 9609
636	Contractual Services – Labor	\$ 15996	\$ (15996)	\$ 0
637	Contractual Services – Billing/Collect	\$ 25401	\$	\$ 25401
639	Other Contract Services	14695	2818	17513
641	Rental of Building/Real Property	\$ 128436	\$18000	\$ 146436
642	Rental of Equipment	\$ 17016	\$	\$ 17016
643	Small Tools	\$ 6201	\$	\$ 6201
648	Computer/Electronic Expense	\$ 45843	\$	\$ 45843
	Hydrant Maintenance		1423	1423
650	Transportation Expense	\$ 78780	\$ (9908)	\$ 68872
656	Insurance – Vehicle	\$ 12964	\$ 1797	\$ 14761
657	Insurance – General Liability	\$ 25736	\$ 2591	\$ 28327

Acct #	OPERATING EXPENSES	Test Year	Proposed Adj	(A + B = C) \$
658	Insurance – Workers' Compensation	\$ 4839	\$ 1528	\$ 6367
659	Insurance – Other	\$ 1710	\$	\$ 1710
660	Public Relations/Advertising Expense	\$	\$	\$
666	Amortization of Rate Case Expense	\$	\$ 3967	\$ 3967
668	Water Resources Conservation	2569	2453	5022
667	Gross Revenue Fee	\$ 10036	\$1330	\$ 11366
671	Cross Connection Control Program	\$ 58768	\$ (49053)	\$ 9715
670	Bad Debt Expense	\$ 1148	\$ 3030	\$ 4178
673	Training and Certification Expense	\$ 5046	\$	\$ 5046
674	Consumer Confidence Report	\$ 1591	\$	\$ 1591
675	Miscellaneous Expenses	\$ 29879	\$ (4127)	\$ 25752
401	TOTAL OPERATING EXPENSES	\$ 1884663	\$ 76001	\$ 2018901

Acct #	OTHER REVENUE DEDUCTIONS	Test Year	Proposed Adj	(A + B = C)
403	Depreciation Expense	\$ 223992	\$	\$ 223992
406	Amortization of Plant/ Acquisition Adj.	\$	\$	\$
407	Amortization Expense	\$	\$	\$
408	Property Taxes	32995	(91)	32904
408	Corporate Activity Tax	6953	1023	7976
408	Payroll Taxes	\$ 76352	\$ 10938	\$ 87290
409.10	Federal Income Tax	\$ 27484	\$60692	\$ 81911
409.11	Oregon Income Tax	\$ 9248	\$20422	\$ 27562
409.13	Extraordinary Items Income Tax	\$	\$	\$
TOTAL REVENUE DEDUCTIONS		377024	\$ 88419	\$ 461635

29. Q PROVIDE LINE ITEMS COMPONENTS OF MISCELLANEOUS EXPENSE.

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

DESCRIPTION OF MISCELLANEOUS EXPENSES	ANNUAL COST
Industry Dues and Memberships	\$ 1710
Bank Charges	\$ 21576
Bend Storm water fee	\$ 1795
Business expenses	\$ 4127
Government fees	\$ 296
Drinking water survey	\$ 2175
Allocation to capital projects	\$ (1800)
TOTAL	\$ 29879

UTILITY CURRENT RATES AND SCHEDULES

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

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

CURRENT RATES FOR RESIDENTIAL AND COMMERCIAL SERVICE

Line or Meter Size	Check One	Monthly Base or Flat Rate	Residential Consumption Included in Base Rate	Current Residential Monthly Commodity/Usage Rate
3/4" or 5/8"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$32.82	NO	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$1.07 Per 100 CF Above: NONE
1"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$55.79	NO	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$1.07 Per 100 CF Above: NONE
1 1/2"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$68.91	NO	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$1.07 Per 100 CF Above: NONE
2"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$98.45	NO	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$1.07 Per 100 CF Above: NONE
3"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$492.23	NO	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$1.07 Per 100 CF Above: NONE
4"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$820.39	NO	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$1.07 Per 100 CF Above: NONE
6"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$1640.77	NO	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$1.07 Per 100 CF Above: NONE

CURRENT RATES MULTI-RESIDENTIAL / MULTI-COMMERCIAL METERED SERVICE

Line or Meter Size	Check One	Monthly Base or Flat Rate	Commercial Consumption Included in Base Rate	Current Commercial Monthly Commodity/Usage Rate
Includes all meters/services	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$32.82	NO	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$1.07 Per 100 cf Above: None

CURRENT RATES FOR RESIDENTIAL AND COMMERCIAL METERED RATES SPECIFICALLY FOR THE PINES AND CROWN VILLA

The Pines 3/4 x 5/8"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$20.46	NO	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$2.16 Per 100 cf Above: None
Crown Villa 3/4 x 5/8"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$20.46	NO	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$2.16 Per 100 cf Above: None

CURRENT RATES FOR IRRIGATION SERVICE

Line or Meter Size	Check One	Monthly Base or Flat Rate	Irrigation Consumption Included in Base Rate	Current Irrigation Monthly Commodity/Usage Rate
Flat Rate	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$40.30	NO	<input type="checkbox"/> CF <input type="checkbox"/> Gal Flat Rate

CURRENT RATES FOR MOBILE HOME PARK & RV IRRIGATION SERVICE

Line or Meter Size	Check One	Monthly Base or Flat Rate	Irrigation Consumption Included in Base Rate	Current Irrigation Monthly Commodity/Usage Rate
Flat Rate	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$19.13	NO	<input type="checkbox"/> CF <input type="checkbox"/> Gal Flat Rate

CURRENT RATE FOR FIRE PROTECTION OR HYDRANT SERVICE

Type of Service	# of Customers	Monthly Rate
Public Fire Protection	545	\$0.49
Private Fire Protection		
4" supply	0	\$5.66
6" supply	41	\$11.33
8" supply	45	\$18.12
10" supply	0	\$26.05
12" supply	0	\$48.71

CURRENT RATE FOR OTHER SERVICE NOT COVERED ABOVE

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

Specify Service	Check One	Current Charges
Bulk Water Delivery Agreement with Avion Water Co., Inc.	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$5400.00

31. Q. PLEASE PROVIDE THE FOLLOWING FOR EACH CUSTOMER CLASS FOR THE MOST RECENT COMPLETED FISCAL YEAR OF 2023.

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

A.

Customer Class	Number of Customers at Start of Year	Number of Customers at End of Year	Total Annual Revenues	Total Annual Consumption	Cubic Feet or Gal
Residential	2437	2451	1408674	37779162	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal
Commercial/Industrial	545	545	429555	15662708	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal
Irrigation	572	571	280213	N/A	<input type="checkbox"/> CF <input type="checkbox"/> Gal
The Pines	215	217	91913	1843804	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal
Crown Villa	60	60	21445	310100	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal
Irrigation (The Pines)	210	217	48609	N/A	<input type="checkbox"/> CF <input type="checkbox"/> Gal
Fire Protection	2435	3083	32903	N/A	<input type="checkbox"/> CF <input type="checkbox"/> Gal
Wheeling fee			64800	N/A	
Backflow			61218	N/A	
Miscellaneous Fees			2059	N/A	<input type="checkbox"/> CF <input type="checkbox"/> Gal
TOTAL			2441389	55595774	

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 AND COMMERCIAL SERVICE

Line or Meter Size	Check One	Monthly Base or Flat Rate	Residential Consumption Included in Base Rate	Proposed Residential Monthly Commodity/Usage Rate	
3/4" or 5/8"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$37.53	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.22 Per 100 CF Up to: None Above: None
1"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$63.79	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.22 Per 100 CF Up to: None Above: None
1 1/2"	<input type="checkbox"/> M <input type="checkbox"/> F	\$78.79	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.22 Per 100 CF Up to: None Above: None
2"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$112.57	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.22 Per 100 CF Up to: None Above: None
3"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$562.82	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.22 Per 100 CF Up to: None Above: None
4"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$938.03	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.22 Per 100 CF Up to: None Above: None
6"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$1876.06	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.22 Per 100 CF Up to: None Above: None

PROPOSED RATES FOR RESIDENTIAL & COMMERCIAL METERED RATES SPECIFICALLY FOR THE PINES AND CROWN VILLA

Line or Meter Size	Check One	Monthly Base or Flat Rate	Residential Consumption Included in Base Rate	Proposed Residential Monthly Commodity/Usage Rate	
The Pines 3/4 & 5/8"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$20.46	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Current City of Bend Rates (\$2.16) Up to: None Above: None
Crown Villa 3/4 & 5/8"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$20.46	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Current City of Bend Rates (\$2.16) Up to: None Above: None

PROPOSED RATES FOR IRRIGATION FLAT RATE SERVICE

Line or Meter Size	Check One	Monthly Base or Flat Rate	Irrigation Consumption Included	Proposed Irrigation Monthly Commodity/Usage Rate	
Flat Rate	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$44.84	Unlimited	<input type="checkbox"/> CF <input type="checkbox"/> Gal	N/A

PROPOSED RATES FOR FIRE PROTECTION OR HYDRANT SERVICE

Type of Service	# of Customers	Proposed Monthly Rate
Public Fire Protection	545	\$0.56
Private Fire Protection		
4" supply	0	\$6.47
6" supply	41	\$12.95
8" supply	45	\$20.72
10" supply	0	\$29.79
12" supply	0	\$55.70

PROPOSED RATE FOR OTHER SERVICE NOT COVERED ABOVE

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

The Bulk Water Delivery Agreement between the Company and Avion Water Company, Inc. (Avion) in the form of a rate credit to Roats' irrigation customers. Rate credits will be passed through to irrigation customers in an amount proportionate to their tariffed irrigation rate. The rate credit shown below will apply monthly as an offset to the irrigation rate shown above during months in which Roats receives wheeling fee revenues from Avion in accordance with the Bulk Water Delivery Agreement.

Specify Service	Check One	Estimated Annual Consumption	Monthly Rate	Annual Revenue
Bulk Water Delivery Agreement with Avion Water Company, Inc.	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	Flat Rate	\$6442	\$77304

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

A. The utility's **PROPOSED** number of customers, and average customer monthly bill and consumption for each customer class annual revenues, is shown below.

Customer Class	Number of Customers	Average Monthly Bill	Average Monthly Consumption (CF)	Total Annual Revenue
Residential 5/8" or 3/4"	2255	\$51.47	11307	\$1392689
Residential 1"	194	\$100.55	3084	\$234069
Residential 1 1/2"	1	\$145.59	5462	\$1747
Residential 2"	1	\$87.95	9439	\$1055
Residential 3"	0	\$		\$
Residential 4"	0	\$		\$
Residential 6"	0	\$		\$

Customer Class	Number of Customers	Average Monthly Bill	Average Monthly Consumption	Total Annual Revenue
Commercial 5/8" or 3/4"	440	\$ 34.64	622	\$182874
Commercial 1"	45	\$161.34	5778	\$87121
Commercial 1 1/2"	32	\$156.11	6323	\$ 59945
Commercial 2"	26	\$301.15	17009	\$98959
Commercial 4"	1	\$1183.08	33900	\$14197
Commercial 3"	1	\$873.67	35648	\$10484
Commercial 6"	0	\$		\$
Commercial 8"	0	\$		\$

Customer Class	Number of Customers	Average Monthly Bill	Average Monthly Consumption	Total Annual Revenue
The Pines	217	\$20.46		\$91913
Crown Villa	60	\$20.46		\$21445

Customer Class	Number of Customers	Average Monthly Bill	Average Monthly Consumption	Total Annual Revenue
Irrigation Flat Rate	571	\$44.84	Not metered	\$294704
Irrigation Mobile Home Park & RV Flat Rate – The Pines Per Lot Minimum	217	\$22.82	Not metered	\$59429

Customer Class	Number of Customers	Average Monthly Bill	Average Monthly Consumption	Total Annual Revenue
Public Fire Protection	2996	\$0.56	N/A	\$20779
Private Fire Protection				
4" supply		\$	N/A	\$
6" supply	41	\$12.95	N/A	\$6371
8" supply	45	\$20.72	N/A	\$11189
10" supply	0	\$	N/A	\$
12" supply	0	\$	N/A	\$

UTILITY PLANT

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

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

Capital Improvement/ Plant Description	Date Purchased Or Constructed	Cost (including labor)	In Service Date
SEE ATTACHED SCHEDULE		\$	

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.

Future Plant Description	Estimated Cost (including labor)	Est. Date In Service
DETAIL WORKSHEET SEND BY SEPARATE E-MAIL	\$	

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

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

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

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

A. Utility plant is shown below:

ACCT #	UTILITY PLANT ACCOUNTS	IN SERVICE DATE	ORIGINAL COST
301	Organization	DETAIL SCHEDULE	\$
302	Franchises	PROVIDED BY SEPARATE	\$
303	Land & Land Rights	E-MAIL	\$
304	Structures & Improvements		\$ 446977
305	Collecting/Impounding/Reservoirs		\$
306	Lake, River & Other Intakes		\$
307	Wells & Spring		\$ 77945
308	Infiltration Galleries & Tunnels		\$
309	Supply Mains		\$
310	Power Generation Equipment		\$133054
311	Pumping Equipment		\$ 334829
320	Water Treatment Equipment		\$
330	Distribution/Reservoirs/Standpipes		\$ 482406
331	Transmission & Distribution Mains		\$ 2984954
333	Services		\$ 11376
334	Meters & Meter Installation		\$ 60562
335	Hydrants		\$ 23298
336	Cross Connections (Utility Owned)		\$
339	Miscellaneous Plant & Equipment		\$
340	Office Furniture & Equipment		\$ 26772
341	Transportation Equipment		\$ 580889
343	Tools, Shop & Garage Equipment		\$ 148716
344	Laboratory Equipment		\$
345	Power Operated Equipment		\$ 916927
346	Communication Equipment		\$ 97036
347	Electronic/Computer Equipment		\$ 64161
348	Miscellaneous Equipment		\$
	TOTAL		\$ 6389903

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

A. Plant accounts are shown below:

UTILITY PLANT	Test Year	Proposed Adjustments	(A + B = C)
Total Utility Plant (from above)	\$ 6389903	\$	\$
SUBTRACT Accumulated Depreciation of Utility Plant In Service	\$ (2677691)	\$	\$
SUBTRACT Accumulated Amortization of Utility Plant In Service	\$	\$	\$
SUBTRACT Advances For Construction	\$	\$	\$
SUB TOTAL	\$ 3712212	\$	\$
ADD Construction Projects in Process	111669		
ADD Plant Material/Supplies Inventory	\$ 50383	\$	\$
ADD Working Cash (1/12 total operating expense)	\$ 163389	\$	\$
SUBTRACT Deferred income tax	\$(388397)		
TOTAL	\$ 3649256	\$	\$

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

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

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

A. Water Right Information:

Homeplace

	Permit	Certificates	Priority Date	Amount (cfs)
Wells 3, 4, 9, 10	G-1890	87657	09/23/61	0.66
	G-3128	87658	12/22/65	0.56
	G-12526	87656	08/10/92	3.00
			Total	4.22

Woodside Ranch

Wells 5,6,7,8	G-11323	87659	11/06/89	1.1
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Roats Water currently has a Quasi-Municipal permit (G-18079) for 4.16 (cfs) in the Juniper area of the district. It has an Authorized Completion date of 10/01/2055.

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

A. The utility's source of ground water supply is: wells

Well logs are attached.

WELL NAME OR IDENTIFYING NO.	WELL 3	WELL 4	WELL 9	WELL 10
YEAR CONSTRUCTED	1974			
WATER RIGHT PERMIT OR CERTIFICATION NUMBER	G-1890 G-3128 G-12526	G-1890 G-3128 G-12526	G-1890 G-3128 G-12526	G-1890 G-3128 G-12526
HYDRAULICALLY CONNECTED TO SURFACE WATER (YES OR NO)	No	No	No	No
WELL DEPTH	429	490FT	500 FT	399.94 FT
WELL DIAMETER	10"	10"	10"	18"
PUMPING CAPACITY – GPM	125	250	500	1800
PUMP MOTOR – HP	25	50	100	300
YIELDS OF WELL IN GPD	180K GDP	360K GDP	936K GPD	2.88 MGPD
WELL CONSTRUCTION	CEMENT	CONCRETE	CEMENT	CEMENT
CASING	STEEL	STEEL	STEEL	STEEL

WELL NAME OR IDENTIFYING NO.	WELL 5	WELL 6	WELL 7	WELLS 8
YEAR CONSTRUCTED				
WATER RIGHT PERMIT OR CERTIFICATION NUMBER	G-11323	G-11323	G-11323	G-11323
HYDRAULICALLY CONNECTED TO SURFACE WATER (YES OR NO)	No	No	No	No
WELL DEPTH	507FT	521FT	581FT	598FT
WELL DIAMETER	6"	10"	10"	10"
PUMPING CAPACITY – GPM	125	125	200	400
PUMP MOTOR – HP	25	25	40	75
YIELDS OF WELL IN GPD	180K GDP	180K GDP	288K GDP	576K GDP
WELL CONSTRUCTION	CONCRETE	CONCRETE	CEMENT	CEMENT
CASING	STEEL	STEEL	STEEL	STEEL ROTARY

WELL NAME OR IDENTIFYING NO.	HOLE 10 NORTH	HOLE 10 SOUTH		
YEAR CONSTRUCTED	1986	1986		
WATER RIGHT PERMIT OR CERTIFICATION NUMBER	G-18079	G-18079		
HYDRAULICALLY CONNECTED TO SURFACE WATER (YES OR NO)	No	No		
WELL DEPTH	488'	488'		
WELL DIAMETER	10"	10"		
PUMPING CAPACITY – GPM	700	700		
PUMP MOTOR – HP	150	150		
YIELDS OF WELL IN GPD	1080000	1080000		
WELL CONSTRUCTION	CEMENT	CEMENT		
CASING	STEEL	STEEL		

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

A. Pumping System:

Pump Type & Pump HP	Avg Daily Demand	Annual Peak Demand	Max Pumping Capacity	Pressure at Pump	Pressure at Customers’ Property
Brookwood – 65 HP	4958	N/A	1840 gpm	50 psi	55 – 70 psi
Hole 10 – 180 HP	Intermittent seasonal use only		1400 gpm	60 – 70 psi	60 - 75 psi
Woodside Ranch I – 22.5 HP	15121	37380	372 gpm	60 psi	55 – 70 psi
Woodside Ranch II – 37.5 HP	17458	49410	370 gpm	75 psi	75 – 60 psi

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

A.

STORAGE TANKS/RESERVOIRS					
IDENTIFY EACH SEPARATELY					
NAME OR IDENTIFYING NUMBER	DESCRIPTION I.E.: STEEL, CONCRETE PNEUMATIC	TANK CAPACITY	GROUND OR ELEVATED	DATE INSTALLED	PRESENT CONDITION
DRW	STEEL	3 MILLION	GROUND	2006	EXCELLENT
BROOKWOOD	STEEL	320000	GROUND	1988	VERY GOOD
WSR II	CONCRETE	90000	GROUND	1974	FAIR
WSR I	CONCRETE	60000	GROUND	1972	GOOD

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

Roats Water System has no water treatment facilities. The ground water source meets standards and requires no treatment.

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

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

RULE NUMBER	PROPOSED CHANGE
Rule 5	Change to option #2 – crediting the customer’s account; however, a customer is entitled to a refund upon request pursuant to OAR 860-036-1250

SERVICE QUALITY

- 46. Q. PLEASE DESCRIBE THE TYPE AND NUMBER OF SERVICE PROBLEMS AND CUSTOMER COMPLAINTS THE UTILITY HAS EXPERIENCED IN THE LAST YEAR. DESCRIBE ANY ACTION TAKEN BY THE UTILITY TO RESOLVE THE PROBLEMS.**
- A. **No**, the Utility has not experienced any service problems or customer complaints in the last year.
- Yes**, the Utility has experienced service problems and/or customer complaints as listed below and has taken the following steps to correct or improve them:
- 47. Q. DOES THE UTILITY HAVE ANY CURRENT SERVICE PROBLEMS THAT IT PROPOSES TO CORRECT OR IMPROVE IN THE NEXT CALENDAR YEAR?**
- A. **No**, the utility does not have any service problems that it proposes to correct/improve during the next calendar year.
- Yes**, the utility has service problems that it proposes to correct or improve during the next calendar year as described below:
- 50. Q. DOES THE UTILITY HAVE ANY FIRE HYDRANTS? IF YES, PLEASE LIST HOW MANY, HOW MANY FEET APART ARE THEY, AND THE UTILITY'S HYDRANT MAINTENANCE SCHEDULE (INCLUDING EXERCISING VALVES). WHAT IS THE UTILITY'S FIRE INSURANCE RATING?**
- A. **No**, the utility does not have any fire hydrants.
- Yes**, the utility does have fire hydrants. There are _____ number of hydrants located 500 up to 2000 feet apart. The utility's fire insurance rating is ISO Class 3.
- 51. Q. IS THE UTILITY CURRENT WITH ALL OF THE OREGON DEPARTMENT OF HUMAN SERVICES DRINKING WATER PROGRAM (DWP) REQUIREMENTS? IF NOT, PLEASE DESCRIBE THE REQUIREMENTS THE UTILITY HAS NOT COMPLIED WITH.**
- A. **Yes**, the utility is current in all its DWP requirements.
- No**, the utility is not current all its DWP requirements. It has not complied with _____
- 52. Q. IF YOU HAVE FEWER THAN 200 TOTAL CUSTOMERS, PLEASE ATTACH A CURRENT AND COMPLETE CUSTOMER MAILING LIST. INCLUDE EACH CUSTOMER'S NAME AND MAILING ADDRESS.**
- A. I have over 200 customers.
- I have fewer than 200 customers and have attached a customer mailing list.
- 53. Q. WOULD YOU LIKE TO TESTIFY REGARDING OTHER ISSUES?**
- A. **No**.
- Yes**, I would like to testify additionally regarding the following:
Attach pages with additional testimony.
- 54. Q. DOES THIS CONCLUDE YOUR TESTIMONY?**
- A. Yes.

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

NAMING RATES FOR

ROATS WATER SYSTEM, INC.

**61147 HAMILTON LANE
BEND OR 97702**

541-382-3029

**Serving water in the vicinity of
BEND, OREGON**

Issue Date / Filing Date		Effective for Service on or after	March 1, 2024
Issued By Utility	Roats Water System, Inc.		

Advice No.

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Issue Date / Filing Date		Effective for Service on or after	March 1, 2024
Issued By Utility	Roats Water System, Inc.		

Advice No.

SCHEDULE NO. 1

RESIDENTIAL & COMMERCIAL METERED RATES

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

Applicable: To residential and commercial premises (with the exception of The Pines and Crown Villa).

Residential and Commercial Base Rate

Service Meter Size	Monthly Base Rate	Usage Allowance	Unit of Measure
5/8 or 3/4 inch	\$32.82	None	cubic feet
1 inch	\$55.79	None	cubic feet
1½ inches	\$68.91	None	cubic feet
2 inches	\$98.45	None	cubic feet
3 inches	\$492.23	None	cubic feet
4 inches	\$820.39	None	cubic feet
6 inches	\$1640.77	None	cubic feet

Multi-Residential / Multi-Commercial Metered Rates

Service Meter Size	Monthly Base Rate	Usage Allowance	Unit of Measure
Includes all meters/services	\$32.82 per dwelling unit	None	cubic feet

Commodity Usage Rate

Commodity Rate		Number of Units	Unit of Measure	Base Usage Allowance	
\$1.07	Per	100	cubic feet	Above	None

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.
3. A franchise fee of 6% of gross monthly water sales to the City of Bend residents shall be charged to the City of Bend residents. This fee is applicable to City of Bend residents only and will be charged monthly.

Issue Date / Filing Date		Effective for Service on or after	March 1, 2024
Issued By Utility	Roats Water System, Inc.		

Advice No.

SCHEDULE NO. 2

RESIDENTIAL & COMMERCIAL METERED RATES SPECIFICALLY FOR THE PINES AND CROWN VILLA

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

Applicable: To residential and commercial premises of The Pines and Crown Villa.

Residential and Commercial Base Rate

Service Meter Size	Monthly Base Rate	Usage Allowance	Unit of Measure
The Pines ¾ x 5/8 inch	\$20.46	None	cubic feet
Crown Villa ¾ x 5/8 inch	\$20.46	None	cubic feet

Multi-Residential / Multi-Commercial Metered Rates

Service Meter Size	Monthly Base Rate	Usage Allowance	Unit of Measure
Includes all meters/services	\$20.46 per unit/space	None	cubic feet

Commodity Usage Rate

Commodity Rate		Number of Units	Unit of Measure	Base Usage Allowance
\$1.07	Per	100	cubic feet	None

The Pines & Crown Villa Commodity Usage Rate

Commodity Rate		Number of Units	Unit of Measure	Base Usage Allowance
Current City of Bend Rates (\$2.02)	Per	100	cubic feet	None

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	March 1, 2024
Issued By Utility	Roats Water System, Inc.		

Advice No.

3. A franchise fee of 6% of gross monthly water sales to the City of Bend residents shall be charged to the City of Bend residents. This fee is applicable to City of Bend residents only and will be charged monthly. The fee will automatically update to maintain current City of Bend franchise fee percentage should the fee increase.

Issue Date / Filing Date		Effective for Service on or after	March 1, 2024
Issued By Utility	Roats Water System, Inc.		

Advice No.

SCHEDULE NO. 3

IRRIGATION FLAT RATE

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

Applicable: To residential, commercial, and common areas receiving irrigation water from Arnold Irrigation District through Roats Water System, not including Mobile Home and RV Parks.

Irrigation Flat Rate

Flat Rate per Month for 12 Months per Calendar Year
\$48.82

Wheeling Fee Revenues Rate Credit

A rate adjustment mechanism will apply to revenues received in accordance with the Bulk Water Delivery Agreement between the Company and Avion Water Company, Inc. (Avion) in the form of a rate credit to Roats' irrigation customers. Rate credits will be passed through to irrigation customers in an amount proportionate to their tariffed irrigation rate. The rate credit shown below will apply monthly as an offset to the irrigation rate shown above during months in which Roats receives wheeling fee revenues from Avion in accordance with the Bulk Water Delivery Agreement. Roats will submit an Advice Filing upon modification or termination of the Bulk Water Delivery Agreement. If the Bulk Water Delivery Agreement is terminated, the rate credit will end concurrent with the end of payments from Avion.

Monthly Rate Credit
\$8.52

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 No. 1. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.
3. A franchise fee of 6% of gross monthly water sales to the City of Bend residents shall be charged to the City of Bend residents. This fee is applicable to City of Bend residents only and will be charged monthly. The fee will automatically update to maintain current City of Bend franchise fee percentage should the fee increase.

Issue Date / Filing Date		Effective for Service on or after	March 1, 2024
Issued By Utility	Roats Water System, Inc.		

Advice No.

SCHEDULE NO. 4

MOBILE HOME PARK & RV IRRIGATION FLAT RATES

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

Applicable: To Mobile Home and RV customers and common areas receiving irrigation water from Arnold Irrigation District through Roats Water System.

Irrigation Flat Rate

Flat Rate per Month for 12 Months per Year
\$23.17

Wheeling Fee Revenues Rate Credit

A rate adjustment mechanism will apply to revenues received in accordance with the Bulk Water Delivery Agreement between the Company and Avion Water Company, Inc. (Avion) in the form of a rate credit to Roats' irrigation customers. Rate credits will be passed through to irrigation customers in an amount proportionate to their tariffed irrigation rate. The rate credit shown below will apply monthly as an offset to the irrigation rate shown above during months in which Roats receives wheeling fee revenues from Avion in accordance with the Bulk Water Delivery Agreement. Roats will submit an Advice Filing upon modification or termination of the Bulk Water Delivery Agreement. If the Bulk Water Delivery Agreement is terminated, the rate credit will end concurrent with the end of payments from Avion.

Monthly Rate Credit
\$4.04

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 Schedule No. 1. When the setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.
3. A franchise fee of 6% of gross monthly water sales to the City of Bend residents shall be charged to the City of Bend residents. This fee is applicable to City of Bend residents only and will be charged monthly. The fee will automatically update to maintain current City of Bend franchise fee percentage should the fee increase.

Issue Date / Filing Date		Effective for Service on or after	March 1, 2024
Issued By Utility	Roats Water System, Inc.		

Advice No.

SCHEDULE NO. 5

CROSS CONNECTION CONTROL PROGRAM
BACKFLOW PREVENTION DEVICE SERVICE FEES

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

Applicable: To residential and commercial/industrial premises with backflow prevention devices installed at the meter.

PURPOSE

Roats Water System, Inc. offers backflow prevention device testing to customers who own backflow prevention devices.

ENROLLMENT

Current Customers: Roats Water System, Inc. will enroll in this program all existing customers with backflow prevention devices installed at the meter. Roats Water System, Inc. will also provide such customers with an Opt-Out Notice that is effective if signed and returned to the company within 30 days of receipt of notice.

New Customers: Roats Water System, Inc. will provide each new customer with a form on which the customer can either select Roats Water System, Inc. to test their device(s) or opt out of Roats’ testing program in favor of selecting another tester. New customers will be allowed 30 days to return the Opt-Out Notice to Roats. If no affirmative selection is made the customer defaults on the Company’s program.

PROGRAM DESCRIPTION

The service plans include the required annual testing of backflow prevention devices by a state certified tester pursuant to Oregon Administrative Rules (OAR) 333-061-0070 through OAR 333-061-0072.

Roats Water System, Inc. offers two payment options for backflow prevention device testing services provided by the Company:

1. \$2.50 monthly charge – All customers enrolled in the program.
2. \$45.00 one-time charge – Customers who opt out and then fail to meet testing requirements by default choose Roats Water System, Inc. Customers are then enrolled in the \$2.50/month plan for next year’s test.

Issue Date / Filing Date		Effective for Service on or after	March 1, 2024
Issued By Utility	Roats Water System, Inc.		

Advice No.

SCHEDULE NO. 5 (Continued)

CROSS CONNECTION CONTROL PROGRAM
BACKFLOW PREVENTION DEVICE SERVICE FEES

SPECIAL PROVISIONS

General:

1. The customer is under no obligation to use the Company’s backflow prevention device testing services.
2. The customer can choose any qualified company or individual to test his/her backflow prevention device.
3. The Company will provide each current customer with notification of the backflow prevention testing service. This notification shall include an opt-out option for Roats’ service.
4. The Company will provide each new customer with a form on which the customer selects Roats Water System, Inc. to test their devices(s) or opts out of Roats Water System, Inc.’s testing program in favor of selecting another qualified tester. The customer will default to the Company’s program if no selection is made.
5. All customers who choose not to use Roats Water System, Inc.’s backflow prevention services must sign the written opt-out option and return it to Roats Water System, Inc. within 30 days upon receipt of the Company notification.
6. Customers who choose not to use Roats Water System, Inc.’s backflow prevention services must notify Roats Water System, Inc. of the name of the company or individual chosen to perform the test and the date the backflow test is scheduled.
7. Roats Water System, Inc. will contact all opt-out customers each spring, giving them 60 days’ notice to have their device tested and the paperwork submitted to Roats Water System, Inc.’s office to remain in compliance with the opt-out option.
8. Customers who use the opt-out option but fail to submit the test report by the due date will be placed in the \$2.50 monthly plan and, by default, Roats Water System, Inc. will test the backflow device.

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Issued By Utility	Roats Water System, Inc.		

Advice No.

SCHEDULE NO. 5 (Continued)

CROSS CONNECTION CONTROL PROGRAM
BACKFLOW PREVENTION DEVICE SERVICE FEES

- 9. Roats will separately itemize the backflow prevention device service fee on customer bills.
- 10. Customers will be given the choice of accepting or rejecting a new agreement in advance of any rate increase.

BILLING RATES

THE \$2.50 MONTHLY CHARGE

This option includes testing on customer-owned backflow devices installed with the water meter. Annual tests are automatically scheduled at the customer’s convenience prior to the annual backflow prevention device testing deadline. The customer will be billed \$2.50 per month as a separate line item on the customer’s monthly water bill.

The agreement will automatically renew annually unless the customer notifies Roats Water System, Inc. in writing 15 days prior to termination that he/she wishes to opt out of the contract. Customers may withdraw from this contract at any time with a 5-day written notice to Roats Water System, Inc.

THE \$45.00 ONE-TIME CHARGE

This charge applies to customers who opt out, but fail to submit the test report by the due date. Testing of the backflow device defaults to Roats Water System, Inc.

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Advice No.

SCHEDULE NO. 6

RESIDENTIAL/MULTI UNIT RESIDENTIAL DEVELOPMENT CHARGE

Applicable: For residential development.

RESIDENTIAL DEVELOPMENT CHARGE (Rule 10)

CHARGE BASED ON LOT SIZE	CHARGE
Less than 4,000 sq. ft.	\$975
At least 4,000 sq. ft., but less than 6,000 sq. ft.	\$1,375
At least 6,000 sq. ft., but less than 10,000 sq. ft.	\$1,975
At least 10,000 sq. ft., but less than 20,000 sq. ft.	\$2,675
20,000 sq. ft. or more	\$3,175

MASTER METER DEVELOPMENT CHARGE (Rule 10)

CHARGE BASED ON MASTER METER SIZE	CHARGE
1 inch meter – serves up to 2 households	\$1,560
1 1/2-inch meter – serves up to 4 households	\$3,120
2-inch meter – serves up to 8 households	\$6,240
3-inch meter – serves up to 12 households	\$9,360
4-inch meter – serves up to 33 households	\$25,740
6-inch meter – serves up to 67 households	\$52,260
8-inch meter – serves up to 117 households	\$91,260
10-inch meter – serves up to 183 households	\$142,740

For development projects with household counts falling between the above meter count range, the Master Meter Development Charge will be prorated at \$780 per household.

Example: 20 household = 4 inch meter
 20 x \$780 = \$15,600

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Advice No.

SCHEDULE NO. 7

PRIVATE FIRE SERVICE RATES

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

Applicable: To customers with water hydrants located on their private property.

Base Charge Per Month: Dependent upon the size of service installed. The customer is billed for each hydrant located on his/her private property.

Private Fire Service Rate

SERVICE METER SIZE	MONTHLY BASE RATE
4-inch supply	\$5.66
6-inch supply	\$11.33
8-inch supply	\$18.12
10-inch supply	\$26.05
12-inch supply	\$48.71

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.

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Advice No.

SCHEDULE NO. 8

PUBLIC FIRE SERVICE RATES

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

Applicable: To all residential and commercial customers.

Public Fire Service Rate

	MONTHLY CHARGE
All commercial/residential customers	\$0.49

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.

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Advice No.

SCHEDULE NO. 9

MISCELLANEOUS SERVICE CHARGES

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

Connection Charge for New Service (Rule No. 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

Connection Fire Flow Charge \$1.00 per sq. ft. measured by
 building outside dimensions.

Meter Test (Rule No. 22)

First test within 12-month period	N/C
Second test within 12-month period	\$35

Pressure Test (Rule No. 42)

First test within 12-month period	N/C
Second test within 12-month period	\$35

Late-Payment Charge (Rule No. 23)

Charged on amounts more than 30 days past due Pursuant to OAR 860-036-1400
(as of 1/1/24 – 2.3%)

Deposit for Service (Rule No. 5)

Pursuant to OAR 860-036-1220
(as of 1/1/24 – 5.5%)

Returned-Check Charge (Rule No. 25)

\$20

Credit Card Payment

\$1.20 per transaction

Trouble-Call Charge (Rule No. 38)

During normal office hours	\$50 per hour
After normal office hours on special request	\$75 per hour

Disconnection Charge (Rule Nos. 30 & 31)

During normal office hours	\$20
After normal office hours on special request	\$50

Unauthorized Restoration of Service (Rule No. 32)

Reconnection charge plus costs

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Advice No.

SCHEDULE NO. 9 (continued)

MISCELLANEOUS SERVICE CHARGES

<u>Damage/Tampering Charge</u> (Rule No. 36)	At cost
<u>Field Visit Charge</u> (Rule No. 31)	\$25
<u>Backflow Prevention Device Repairs</u> (Rule No. 45) (For customers not on the backflow prevention plan)	Materials – at cost Labor - \$50 per hour

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Advice No.

SCHEDULE NO. 10

POWER COST ADJUSTMENT

Schedule 10 is an “Automatic Adjustment Clause” as defined in ORS 757.210(b). The Automatic Adjustment Clause is subject to an annual review by the Commission. This tariff establishes an automatic cost adjustment mechanism for changes in the Company’s purchased power costs as a result of changes in the power rates charged by the Company’s power supplier(s).

Purpose: To define procedures for periodic revisions in rates due to changes in the Company’s purchased power costs, describe how a rate change for purchased power is calculated, and to identify any other requirements.

Applicable: To those customers subject to Roats’ Commodity Usage Rate under Schedule No. 1.

Purchased Power Cost Adjustment

Changes under the applicable schedule are subject to increases or decreases that may be made without prior hearing, to reflect increases or decreases in the Company’s purchased power costs resulting from adjustments in the rates charged to the Company by the Company’s power supplier(s).

The Company may file for periodic purchased power cost adjustment to be effective upon the date the power supplier implements rate changes. If the Company chooses to file for such increases, then it is also obligated to file for decrease in such costs.

The Purchased Power Cost Adjustment rate will be applied as an addition to Roats’ Commodity Usage Rate as shown in Schedule No. 1.

Power Cost Adjustment Calculation

A power cost adjustment will be calculated as follows: Current power rate (per 100 cf of water) X percentage increase X power supplier’s allocator = \$power cost adjustment (per 100 cf of water). The following values will be used for the purpose of applying this formula:

Current Power Rate: \$0.20
 PP&L Allocator: 65.85%
 CEC Allocator: 34.15%

For example, a 30% rate increase by PP&L would result in the following increase to the Power Cost Adjustment Rate: $\$0.20 \times 65.85\% \times 30\% = \0.04

Current Power Cost Adjustment Rate
\$0.00 per 100 cf

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Advice No.

SCHEDULE NO. 10 (continued)

POWER COST ADJUSTMENT

Other Requirements

The Company will, whenever possible, utilize its pumping operations at off-peak times, in order to promote energy conservation. In connection with this condition, the Company shall advantage itself and its customers by adopting time-of-day usage of electric power from commodity power suppliers who offer such a conservation tariff.

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Advice No.

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 ROATS WATER SYSTEM, INC.**
- 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 Service 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.**

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Advice No.

APPLICATION FOR SERVICE

Rule 3: Customer/Applicant Information (OAR 860-036-1100)

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 860-036-1200)

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 860-036-1210.

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.
- 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.

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

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 860-036-1220)

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

The utility shall pay interest on deposits at the rate established by the Commission. After the customer has paid 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)** (OAR 860-036-1250 and 1260):

- 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 860-036-1260.

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.

Rule 7: Separate Control of Service

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

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

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.

- 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; or
- 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 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 fire flow charge is assessed in addition to the meter set charge and applies to a new water service only when fire flow requirements are imposed by the fire department on a new structure, or a structure being remodeled requiring a building permit, which requires changes in existing fire flow requirements or a structure whose use is changing to the extent that it now for the first time has fire flow requirements. In the structure being built or remodeled is in addition to an existing structure, which has already satisfied fire flow requirements, and then the fire flow charge will apply only to the additional structure.

The fire flow charge applies when the imposed fire flow requirements involve either a fire suppression system in the structure or fire hydrant(s) in the vicinity. The fire flow charge also applies when the structure benefits from the fire hydrant(s) which already exist in the vicinity sufficient to satisfy the imposed fire flow requirements.

Rule 10: Residential Development Charge

The residential development charge is assessed (based on the lot size) on any lot or lots for which a permanently new water service is established to serve one or more residential dwellings. The residential development charge is assessed in addition to the meter set charge.

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A residential development located on a single tax lot for which a metered water service is established to serve multiple residences, shall (in lieu of the charge based on lot size) be assessed a residential development charge based on the size of the master water meter required to serve the development (including all area to be served in future phases of the development).

Subsequent to setting the meter(s) or master meter and payment of fees, if lots within the development become separately identified tax lots, the developer(s) of the separately identified tax lots will then be assessed an additional charge equal to the greater of (a) or (b), and reduced by (c); where (a) is a residential development charged based on each individual new lot size, (b) is the master meter set charge, and (c) is the fee previously paid to set the master meter for this development. In the event that this calculation produces a number less than zero, no refund will be given, and the amount of the fee shall be zero.

Any commercial development within the mastered residential development area shall be assessed a fireflow charge instead of a residential development charge. The fireflow charge shall be assessed on the entire structure containing the commercial enterprise, even though a portion of the structure may be for residential use. The lot occupied by the commercial development shall be excluded from any residential development charge.

Rule 11: Main Line Extension Policy (OAR 860-036-1310)

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 12: Main Line Advances and Refunds Policy

Definitions

- (a) Reach: Any section of a main that contains no connections, branches, etc.
- (b) Original customer cost of a main extension: The cost of the smallest size extension necessary to service the customer(s) who request that extension, plus one-half the cost of any oversizing up through 12 inches deemed desirable by the utility. The cost of oversizing over 12 inches, and all costs of loop completion, shall not be included.
- (c) Customer cost of the reach: The original customer cost of the main extension of which the reach was a part, times the length of the reach divided by the length of that extension.
- (d) Share of a reach: The customer cost of a reach divided by the number of customers to be served through that reach.
- (e) Share differential: The amount the share of a reach decreases when a new customer is served through that reach.

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Note: Any loop completion installed by the utility shall be deemed closed at its midpoint, when determining which reaches serve a particular customer.

Specifications

The utility shall specify the size, character, and location of pipes and appurtenances in any main extension. Main extensions are normally along streets, roads, highways, or other satisfactory rights-of-way. All construction work shall conform to recognized Rates Water System, Inc. standards.

Each main extension shall normally extend at least 100 feet along the frontage of the property to be served, or to the midpoint of that frontage, whichever is less.

Advances and Refunds

Each new customer requesting a main line extension shall advance the utility the share of each reach through which the customer is to be served, including the main extension.

After construction of the requested main extension, the utility shall refund to each new customer the total of the customer costs of the reaches through which the customer is served times 50 feet divided by the total of the length of those reaches. Further, the utility shall refund to each old customer the share differential of each reach through which the customer is served.

Exceptions: a) No customer shall be refunded more than the amount originally advanced; and b) No part of the distribution system installed prior to five years from the request for a main line extension shall be used to calculate any customer advance or refund.

Rule 13: 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 14: Multiple Residences

An apartment building, mobile home park, motel, trailer camp, recreational vehicle park, duplex, townhouse, or any other property consisting of more than one residential unit, if served through one or more service lines, shall be equivalent to the number of dwelling units when determining the customer count and the number of base charges that apply.

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Rule 15: Utility Access to Private Property (OAR 860-036-1370, 1500)

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.

Rule 16: Restriction on Entering a Customer Residence (OAR 860-036-1330)

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

The Utility may refuse to provide service if:

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

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

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

If service is disconnected, the Utility may refuse to restore service until it receives full payment of all amounts owing, including reconnection charges allowed under OAR 860-036-1580. Service shall not be refused for matters not related to water service.

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

Rule 18: Refusal of Service Due to Utility Facilities (OAR 860-036-1270)

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

Rule 19: Refusal of Service Due to Customer Facilities (OAR 860-036-1270)

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.

METERS

Rule 20: Utility Meters (OAR 860-036-1350)

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.

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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 860-036-1360) 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 860-036-1350)

Rule 21: Meter Testing (OAR 860-036-1350)

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 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.

Rule 22: Customer-Requested Meter Test (OAR 860-036-1360)

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.

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BILLING

Rule 23: Billing Information/Late-Payment Charge (OAR 860-036 1100(2), 1400, and 1430)

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

As near as practical, **meters shall be read at** **monthly**, bimonthly, quarterly, or annual intervals on the corresponding day of each meter reading or billing period.

The bill shall be rendered immediately thereafter. The Utility must provide its customers with timely billings every month or as indicated in its tariffs or statement of rates.

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.

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 30/31, prior to or after the Utility assesses the late payment charge.

Rule 24: Partial Payment

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

- A. Past due regulated tariffed services.
- B. Currently due regulated tariffed services.

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- C. Non-regulated tariffed services.
- D. Non-tariffed services.

Rule 25: 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 26: 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, 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 27: Adjustment of Bills (860-036-1440)

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 rebill the undercharge for no more than six 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.

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DISCONNECTION OF WATER SERVICE

Rule 28: Voluntary Discontinuance (OAR 860-036-1560)

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

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

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

Rule 29: Emergency Disconnection (OAR 860-036-1500)

The utility may terminate service in emergencies when life or property is endangered without following the procedures set forth in OAR 860-036-1560. Immediately thereafter, the utility will 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 30: Disconnection of Water Service Charge for Cause (OAR 860-036-1520)

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 860-036-1420.
- E. Information regarding the Commission’s dispute resolution process; and
- F. The Commission’s Consumer Services toll-free number, 1-800-522-2404.

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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 nonemergency’s on a Friday or the day of a state- or utility-recognized holiday or the day prior to such holiday. (OAR 860-036-1540)

The utility shall not disconnect residential service due to the failure to pay or meet obligations associated with nonresidential service.

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. The Utility and customer may mutually agree to an alternate payment arrangement provided it be in writing and signed by all parties.

Disconnection for Failure to Comply With a Time Payment Agreement

A time-payment agreement disconnection occurs when a customer fails to comply with the terms of a written time-payment agreement between the customer and the Utility, or the Utility permits a time-payment agreement charge to become delinquent. The Utility shall give the customer a 15-day’ written notice and a 5-business day written notice before the water service may be disconnected.

Rule 31: Reconnection Charge and Disconnection Visit Charge (OAR 860-036-1580)

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 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, and the reconnection charge listed on the Miscellaneous Service Charges Schedule are paid in full.

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Rule 33: Unauthorized Use

No person shall be allowed to make connections 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 34: Interruption of Service (OAR 860-036-1630)

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 860-036-1670)

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.
- E. A statement that the customer’s water service is subject to disconnection on or after a specific date;
- F. A warning to the customer that failure to immediately comply with the restrictions may result in disconnection of service; and
- G. A statement that the customer may dispute disconnection by contacting the Consumer Services Section.

Rule 36: Damages/Tampering

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

The Utility shall have and maintain its entire plant, distribution system, and hydrants in such condition that it will furnish safe, adequate, and reasonably continuous service. The Utility shall inspect its facilities in such manner and with such frequency as may be necessary to always ensure a reasonably complete knowledge of its condition and adequacy.

The Utility shall prepare work and maintenance records and retain those records consistent with the Commission's Guide for the Preservation of Records for Public Water Utilities available at <http://www.puc.state.or.us/Pages/General-Information-for-Water-Utilities.aspx>.

The Utility is prohibited from intentionally diminishing the quality of service below the level that can reasonably be provided by its facilities.

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 Quality (OAR 860-036-1610)

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 testing, 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 40: Water Pressure (OAR 860-036-1650)

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The Utility must maintain adequate water pressure. In general, water pressure measuring between 45 and 80 pounds per square inch in the water mains is adequate for the purpose of this rule. However, adequate pressure may vary depending on each individual water system.

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

Rule 41: Pressure Surveys (OAR 860-036-1650)

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 860-036-1660)

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 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 43: Maps/Records (OAR 860-036-1690)

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. The Utility must retain the maps and records consistent with the Commission's Guide for the Preservation of Records for Public Water Utilities.

Rule 44: Utility Line Location (One Call Program)

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

Rule 45: Cross Connection/Backflow Prevention Program (OAR 860-036-1680)

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

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

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WELL PRODUCTION LOGS

Well 10

	Cubic Feet
22-Oct	1076557
22-Nov	0
22-Dec	0
23-Jan	0
23-Feb	0
23-Mar	0
23-Apr	0
23-May	7726631
23-Jun	10675334
23-Jul	10388452
23-Aug	10768883
23-Sep	10629795
Year End Total	51265652

Woodside Ranch

	Cubic Feet
22-Oct	1371914
22-Nov	282648
22-Dec	296396
23-Jan	541746
23-Feb	191780
23-Mar	163260
23-Apr	192220
23-May	812796
23-Jun	1635574
23-Jul	2120660
23-Aug	2335794
23-Sep	2011056
Year End Total	11955844

Homeplace

	Cubic Feet
22-Oct	151230
22-Nov	154235
22-Dec	131827
23-Jan	224438
23-Feb	331377
23-Mar	300641
23-Apr	354234
23-May	217301
23-Jun	297737
23-Jul	364855
23-Aug	344626
23-Sep	1216606
Year End Total	4089107

WATER UTILITY TESTIMONY
 QUESTION 24
INDEPENDENT CONTRACTORS
 FOR THE FISCAL YEAR ENDED 9/30/23

ENGINEERING	DESCRIPTION OF SERVICE	AMOUNT PAID
[REDACTED]	SCADA CONSULTION	29,454
[REDACTED]	MASTER PLAN	4,465
		<u>33,919</u>
ACCOUNTING		
[REDACTED]	ACCOUNTING SERVICES	38,526
[REDACTED]	ACCOUNTING SERVICES	6,788
		<u>46,734</u>
LEGAL		
[REDACTED]	LEGAL SERVICES	180
[REDACTED]	LEGAL SERVICES	817
		<u>997</u>
WATER TESTING/SAMPLING		
[REDACTED]	WATER TESTING	<u>9,609</u>
LABOR		
[REDACTED]	TEMPORARY EMPLOYMENT	15,421
BILLING & COLLECTIONS		
[REDACTED]	MAILING CUSTOMER BILLS	21,312
[REDACTED]	CREDIT CARD PROCESSING	13,915
		<u>35,227</u>
OTHER		
[REDACTED]	OFFICE AND SHOP JANITORIAL	6,306
[REDACTED]	WINDOW CLEANING	250
		<u>6,556</u>

APPLICATION FOR UTILITY RATE INCREASE-DECREASE
ROATS WATER SYSTEM, INC.
TEST YEAR ENDED SEPTEMBER 30, 2023

NARRATIVE COMMENTS RELATED TO APPLICATION FILING

ROATS WATER SYSTEM, INC. IS HEREBY SUBMITTING AN APPLICATION FOR AN INCREASE IN WATER RATES. IN THE APPLICATION WE HAVE PROVIDED FINACIAL AND OTHER DATA BASED ON THE TEST YEAR ENDING SEPTEMBER 30, 2023

OUR RATE STRUCTURE ACCOUNTS FOR TWO CLASSES OF CUSTOMERS. THE MAJORITY OF OUR CUSTOMERS ARE CONSIDERED DOMESTIC WATER USERS. WE HAVE A SEPARATE CLASS OF CUSTOMERS THAT RECEIVE NON POTABLE WATER FOR IRRIGATION PURPOSES. THIS CLASS WAS PART OF OUR ACQUITION OF THE JUNIPER WATER SYSTEM IN 2016. THESE CUSTOMERS PAY A FLAT RATE MONTHLY.

REVENUES & OPERATING EXPENSES

DURING THE PAST THREE YEARS, SINCE OUR LAST RATE CASE, OPERATIONS HAVE REMAINED STABLE. REVENUES AND OPERATING EXPENSES FOR THE THREE YEARS HAVE BEEN AS FOLLOWS:

<u>YEAR ENDED</u> <u>SEPTEMBER 30</u>	<u>ACTUAL</u> <u>REVENUES</u>	<u>% INCREASE</u>
2021	2,367,000	
2022	2,392,000	1.1%
2023	2,441,000	2.0%

	<u>ACTUAL</u> <u>OPERATING EXPENSES</u>	
2021	1,981,000	
2022	2,025,000	2.2%
2023	2,225,000	9.9%

INCREASE IN CALCULATED REVENUE

OUR PROPOSED CALCULATED REVENUE IS BASED ON OUR DETERMINATION OF OPERATING EXPENSES AND OUR CALCULATION OF OUR RATE BASE AND RESULTING RATE OF RETURN. OUR CALCULATIONS, AS PROPOSED, RESULT IN AN INCREASE IN DOMESTIC REVENUE OF 19.3 %. DUE TO INCREASED UTILIZATION OVER THE PAST 3 YEARS, RATES ARE CALCULATED TO INCREASE 14.34% (4.8% PER YEAR). THESE INCREASES ARE CALCULATED BASED ON CHANGES SINCE THE LAST RATE CASE.

WE ARE PROPOSING A 11.3%(\$4.54 A MONTH) INCREASE IN THE FLAT RATE. CHARGED TO IRRIGATION CUSTOMERS DUE TO HIGHER OPERATING EXPENSES.

WAGES

OUR EMPLOYEE COUNT HAS REMAINED THE SAME SINCE OUR LAST RATE CASE. WE ARE PROPOSING TO ADD ONE ADDITIONAL HOURLY FIELD SERVICE EMPLOYEE. THE DUTIES OF THIS ADDITIONAL STAFF MEMBER WILL INCLUDE TESTING OF BACKFLOW DEVICES. THIS WILL ELIMINATE THE COST OF OUTSIDE CONTRACTORS USED IN THE PAST FOR THIS FUNCTION. ACCORDINGLY, MUCH OF THE COST OF THE PROPOSED NEW HIRE WILL BE ABSORBED BY ALLOCATING HIS WAGES TO BACKFLOW OPERATIONS.

WE ARE PROPOSING TO INCREASE WAGE RATES OF FIELD OPERATIONS STAFF BEYOND THE AMOUNT DETERMINED BASED SOLELY ON CPI INCREASES. WE BELIEVE THIS IS NECESSARY DUE TO THE SIGNIFICANTLY HIGHER COST OF LIVING IN BEND. WE HAVE ALSO FOUND THAT THE CITY OF BEND WATER DEPARTMENT OFFERS HIGHER WAGES AND BENEFITS. THESE FACTORS HAVE HAD AN ADVERSE EFFECT ON OUR ABILITY TO ATTRACT AND RETAIN QUALIFIED FIELD SERVICE PERSONNEL.

OFFICER WAGES

WE ARE PROPOSING TO INCREASE THE SALARY OF THE COMPANY'S PRESIDENT, WILLIAM K. ROATS. THIS IS BASED ON A CALCULATION OF CPI INCREASES SINCE HIS CURRENT SALARY WAS ESTABLISHED IN 2016. THIS COST IS OFFSET BY THE REDUCTION IN SALARY EXPENSE RESULTING FROM THE RETIREMENT OF SHIRLEY ROATS EFFECTIVE OCTOBER 1, 2023.

WE ARE ALSO PROPOSING TO INCREASE THE SALARIES OF CASEY ROATS AND MICHELLE BERG. THIS INCREASE IS TO REFLECT THE ADDITIONAL RESPONSIBILITIES OF THESE TWO OFFICERS AND TO MORE REASONABLY COMPENSATE THESE POSITIONS RELATIVE TO OTHER MANAGEMENT LEVEL PERSONNEL IN THIS AREA.

DEPRECIATION EXPENSE AND ACCUMULATED DEPRECIATION

PRIOR TO THE LAST RATE CASE WE HAD PREPARED THE ASSET AND DEPRECIATION DETAIL USING A HALF YEAR FOR YEAR OF PURCHASE METHOD FOR COMPUTING DEPRECIATION EXPENSE. IT WAS DETERMINED DURING THE RATE CASE THAT THE PROPER AND CONSISTENT METHOD WAS TO USE MONTH OF PURCHASE FOR DETERMINING DEPRECIATION EXPENSE. THE FIXED ASSET DETAIL WE ARE SUBMITTING WITH THIS RATE CASE REFLECTS RECALCULATED DEPRECIATION EXPENSE AND ACCUMULATED DEPRECIATION AMOUNTS FROM THE 2017 FISCAL YEAR FORWARD. AMOUNTS CALCULATED PRIOR TO 2017 WERE CALCULATED USING THE CORRECT METHOD. THE COMPANIES ACCOUNTING RECORDS HAVE BEEN CORRECTED TO REFLECT THE RECALCULATED

AMOUNTS.

BACKFLOW OPERATIONS

HISTORICALLY THE COMPANY HAS SEPERATED THE OPERATION OF BACK FLOW TESTING AND MAINTENCE FROM THE CALCULATION OF PUC REGULATED OPERATIONS. GOING FORWARD WE WOULD LIKE TO HAVE THE PUC CONSIDER CHANGING THIS APPROACH. CURRENTLY OUR BACKFLOW CUSTOMERS ARE BILLED \$2.50 A MONTH TO COVER THE COST OF TESTING AND MAINTANING BACKFLOW DEVICES. THIS AMOUNT COVERS THE COST OF THIS FUNCTION. OUR SUGGESTED NEW APPROACH WOULD BE TO ADD THE \$2.50 A MONTH TO THE BASE RATE WE BILL TO ALL OF OUR CUSTOMERS AND TO INCLUDE THE COST ASSOCIATED WITH THIS ACTIVITY IN THE CALCULATED REVENUE AMOUNT USED TO DETERMING WATER RATES GOING FORWARD. WE WILL CONTINUE TO TRACK OUR COSTS OF PROVIDING BACKFLOW SERVICES SO THAT THE REASONABLENESS OF THE AMOUNT INCUDED IN THE BASE RATE CAN BE EVALUEATED DURING FUTURE RATE CASES.

THIS APPLICATION REFLECTS OPERATIONS EXCLUDING THE BACKFLOW OPERATION AS HAS BEEN DONE IN THE PAST.

COMPARISON OF COMPANY ANNUAL REPORTS TO EXPENSED INCURRED FOR TEST YEAR

AT THE END OF THE 2022 FISCAL YEAR WE DETERMINED THAT WE NEEDED TO CHANGE THE EXPENSE CLASSIFICATION OF SEVERAL TYPES OF EXPENSE ITEMS. MATERIALS & SUPPLIES HAD INCLUDED VARIOUS OTHER TYPES OF EXPENSE ITEMS. TRANSPORTATION EXPENSE HAD INCLUDED REPAIR & MAINTENCE OF EQUIPMENT OTHER THAN TRANSPORTATION EQUIPMENT. WE HAVE NOW SEPERATED THESE ITEMS INTO VARIOUS NEW EXPENSE ACCOUNTS. AS A RESULT THE AMOUNTS SHOWN IN THE 2021 AND 2022 ANNUAL REPORTS ARE NOT COMPARIBLE TO THE EXPENSE AMOUNTS SHOWN FOR THE TEST YEAR 2023. WE WILL SEND IN A SEPARATE E-MAIL A SPREAD SHEET THAT SHOWS THE ADJUSTMENTS TO VARIOUS EXPENSE ACCOUNTS NEEDED TO MAKE THE ANNUAL REPORT AMOUNTS COMPARIBLE.