

An Important Notice For the Customers of the Salmon Valley Water Company

Announcement of Proposed Changes to the Water Service Rate Tariffs Filed With the Oregon Public Utilities Commission

December 13, 2013

To all our valued customers:

The Salmon Valley Water Company has submitted a general rate filing to the Commission on November 25, 2013. We are seeking an increase to our annual revenues of \$97,492.00 above the \$244,759.00 (after adjustments) collected in 2012. The purpose of this announcement is to provide you with general information regarding the proposed rates and the effect the filing may have on you as our customer. Salmon Valley Water Company is seeking this increase to improve the company's cash position, make system repairs and improvements and to cover rising costs of operations.

This is the first rate increase that the Salmon Valley Water Company has requested since July 1, 1994. The requested increase represents a 2% per year increase from 1994.

The proposed rate changes reflect a significant change to the manner in which the SVWC will bill its customers. The biggest change will be the termination of the allotment of 400 CF (Cubic Feet) of water that has been included in the residential and multi-family base rate tariffs. Under the existing tariffs these types of accounts were charged a base rate that included no extra charges for any water used less than the allotment of 400 CF. Under the new tariff there will be a base rate WITH NO ALLOTMENT. This means that you will be charged a consumption rate for all water that passes through the meter (see below for actual rate). This change is consistent with statewide programs that incent water conservation. The second change involves the basis for the tariffs for commercial accounts. Consistent with statewide policies and programs the base rates for commercial accounts will be more comparable to residential rates. However, commercial accounts will be subject to the same consumption rates as residential customers. The third change is the reclassification of small single family homes that were originally classified as multi-family that we now be classified as a standard residential customers.

Below is a chart that depicts the potential change to your water use fees. Please be advised that these data represent an average for each classification and your bill will vary depending upon your use of water. By way of explanation a Cubic Foot (CF) of water is equal to 7.48052 US gallons:

Class (Tariff)	Avg. Mo Use in CF	Current Base Rate	Current Usage \$	Current Total	Proposed Base Rate	Proposed Average Usage \$	Proposed Average Total
Usage rate per 100 CF				\$.99			\$1.27
Residential ¾" meter	751	\$18.11	\$3.47 (over 400 CF)	\$21.58	\$21.59	\$9.54	\$31.13
Multi Family ¾" meter	624	\$12.07	\$2.22 (over 400 CF)	\$14.29	\$16.72	\$7.92	\$24.64
Non Metered	N/A	\$22.98	N/A	\$22.98	\$22.98	N/A	\$22.98
Commercial ¾" meter	431	\$30.18	\$2.37	\$32.55	\$26.66	\$5.47	\$32.13
Commercial 1" meter	952	\$36.22	\$5.24	\$41.46	\$53.99	\$12.09	\$66.08
Commercial 1 ½" meter	1,219	\$60.36	\$6.70	\$67.06	\$53.99	\$15.48	\$69.47
Commercial (laundry mat) 1 ½" meter	574	\$301.80	\$3.16	\$304.96	\$91.13	\$7.29	\$98.42
Commercial (shopping center) 1 ½" meter	9,182	\$245.97	\$50.50	\$296.47	\$90.56	\$116.61	\$207.17
Commercial (school) 2" meter	3,170	\$531.17	\$17.44	\$548.61	\$174.15	\$40.30	\$214.45
Commercial (resort main) 2" meter	1,867	\$1,622.27	\$10.27	\$1,632.54	\$174.15	\$23.71	\$197.86

Copies of the utility's application, testimony, and exhibits are available at: 24525 E Welches Road, Welches, OR 97067. Telephone 503.622.4083

SALMON VALLEY WATER COMPANY, INC., can provide additional information about the rate filing.

If you are interested please contact: Lon Goff at 503.622.4083 or at 24525 E Welches Road, Welches, OR 97067

To request to receive notices of the time and place of hearings on the matter, contact the Public Utility Commission of Oregon at 1-800-522-2404; TTY 711, or mail request to:

PUBLIC UTILITY COMMISSION OF OREGON

ADMINISTRATIVE HEARINGS DIVISION

PO Box 2148

SALEM OR 97308-2148

The calculations and statements contained in the water utility's announcement and filing are not binding on the Commission.