

Roats Water System, Inc.

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roatswater@bendbroadband.com

November 12, 2017

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
PO Box 1088
Salem OR 97301

RE: Oregon Tariff Advice Filing Including:

Rate Change to Current Residential, Commercial, and Multi-Residential Water Service Rates Tariff in Schedule 1, Third Revised Sheet No. 3.

A New Tariff for Domestic Water Service Rates for Customers of The Pines and Crown Villa
Two New Tariffs for Irrigation Customers Water Service Rates

Attention Filing Center,

Roats Water System, Inc., (Roats) hereby submits this tariff advice filing seeking authorization from the Commission to implement rates agreed to by Staff and Roats in a stipulation to be proposed to the Commission in UW 166, hereafter called stipulated rates. This advice filing seeks to implement the stipulated rates effective January 1, 2017, subject to refund, prior to the Commission's final order approving rates in UW 166. Implementation of the attached tariffs, reflecting the stipulated rates, will allow Roats to receive revenues necessary to provide service to its existing customers and the new customers it will begin serving on January 1, 2017. Roats current tariffs do not cover all the services Roats will be providing to its new customers.

BACKGROUND

In June 2016, Roats filed an application to finance \$1.4 million to purchase certain assets of the old Juniper water system currently owned by the City of Bend. The Commission granted approval of the purchase in UF 4298 at its Public Meeting on November 8, 2016, Order No. 16 423. The Juniper acquisition includes a residential water system (which serves two classes of domestic customers) and a separate irrigation system (which serves two classes of irrigation customers). With the purchase, Roats is acquiring 821 additional domestic customers and 839 irrigation customers. The City of Bend and Roats have executed the purchase agreement. The assets are being transferred to Roats and the sale will close on or before December 31, 2016. Roats will begin serving the new customers on January 1, 2017. See attached letter from the City of Bend, dated November 10, 2016.

Roats filed its current rate case Docket No. UW 166 in March 2016. The rate case included the acquisition of Juniper assets and customers. Roats desires that the tariffs reflecting the stipulated rates, subject to refund, be effective on January 1, 2017.

Approval of this advice filing will:

- Allow Roats to charge for the new services it will be providing to new customers as of January 1, 2017, for which there are no current tariffs.
- Provide revenue to help Roats cover the costs associated with providing water services until the Commission issues its final order in UW 166.

ROATS' REQUEST

Roats hereby submits a new tariff, Schedule No. 1, Fourth Revised Sheet No. 3 to replace Roats' current tariff, Schedule No. 1, Third Revised Sheet No. 3 for residential, commercial, and multi-family service rates. The new tariff reflects the stipulated rates. Roats requests the revised tariff with its stipulated rates become effective January 1, 2017, subject to refund. The rates would stay in effect until the Commission makes its final order approving rates in Roats' rate case UW 166.

Roats also submits a new tariff Schedule No. 1A, Original Sheet No. 3A, that reflects the stipulated rates for domestic customers of The Pines (mobile home park) and Crown Villa (recreational vehicle park) that Roats is acquiring in the Juniper purchase. The stipulated rates tariff would become effective January 1, 2017, and be subject to refund. The rates would remain in effect until the Commission makes its final order approving rates in Roats' rate case UW 166.

Roats submits two new irrigation tariffs: Schedule No. 1B, Original Sheet No. 3B and Schedule No. 1C, Original Sheet No. 3C for irrigation customers that Roats is acquiring in the Juniper purchase. Two irrigation rate tariffs are necessary because the irrigation system serves two different customer classes. The stipulated rates tariffs for irrigation would become effective January 1, 2017 and be subject to refund. The rates would stay in effect until the Commission makes its final order approving rates in Roats' rate case UW 166.

Lastly, Roats submits a replacement Index Page, First Revised Sheet No. 2 to replace the current Index Page, Original Sheet No. 2. The new tariff will update the Index Page.

DISCUSSION

Staff has informed Roats that the Commission will not be able to issue a final order in UW 166 by the time Roats takes possession of Juniper assets and begins serving new customers on January 1, 2017. Staff suggests an effective date for the Commission's approved rates of April 1, 2017. This means that it would be the middle of May 2017 before Roats would receive any revenue from the new rates. This is 14 months after Roats originally filed its rate case and 4 ½ months after Roats starts providing service to the new customers. Below, Roats will illustrate justifiable rationale why implementing the proposed stipulated rates on January 1, 2017, subject to refund, is necessary for the provision of safe and adequate water service and the financial health of the Utility.

If the new rates are not implemented until April 1, 2017, Roats will lose three months of revenue, while incurring higher current associated with current customers and new costs associated with the new Juniper customers. These costs are not reflected in Roats current tariffs and rate schedules. In addition, as of January 1, 2017, Roats will be serving new customers for which it has no current tariffs for the specific services.

LOSS OF REVENUE

Small water companies operate on very tight budgets that do not allow for the type of revenue reserve typical of large utilities. A small water utility like Roats cannot absorb higher expenses and remain

financially viable without rate relief. Rates are design to allow recovery of costs over a 12-month period. Removing three months of that revenue that the company will never recover will result in a substantial revenue shortfall for Roats.

Three Months Cost to Roats

Table 1 below shows the operating expenses and other deductions for the domestic and the irrigation customers in the revenue requirement agreed to by Staff and Roats. It also shows the monthly average and the three-month average cost to Roats. These costs will continue to incur from January 1, 2017 to April 1, 2017, during the three months Staff plans to wait until the rates become effective.

TABLE 1 –COST TO ROATS

PER STIPULATED REVENUE REQUIREMENT	Domestic Annual	Irrigation Annual	Annual Total	1-Month Avg	3-Months Avg
Total Deductions	\$1,369,270	\$403,647	\$1,772,917	\$147,743	\$443,229

Three Months Revenue at Stipulated Rates

Table 2 and 2A below show the approximate three-month revenue from stipulated base rates and commodity rates that Roats would receive if the stipulated rates were effective on January 1, 2017.

TABLE 2 - THREE MONTHS AVERAGE BASE RATE REVENUE AT STIPULATED RATES

Customer	Meter Size	Stipulated Base Rate	Number of Customers	1-Month Revenue	3-Month Revenue
Residential/Commercial/Multi-Family	5/8" 3/4"	\$33.45	1443	\$48,268	\$144,805
Residential/Commercial/Multi-Family	1"	\$48.17	236	\$11,368	\$34,104
Residential/Commercial/Multi-Family	1 1/2"	\$57.80	46	\$2,659	\$7,976
Residential/Commercial/Multi-Family	2"	\$74.26	24	\$1,782	\$5,347
Juniper Domestic Residential	5/8" 3/4"	\$33.45	535	\$17,896	\$53,687
Juniper Domestic Residential	1"	\$48.17	30	\$1,445	\$4,335
The Pines/Crown Villa Domestic	5/8" 3/4"	\$17.58	256	\$4,500	\$13,501
Flat Rate					
Standard Irrigation	n/a	\$48.80	564	\$27,523	\$82,570
The Pines/Crown Villa Irrigation	n/a	\$23.16	275	\$6,369	\$19,107
TOTAL REVENUE					\$365,433

TABLE 2A - - THREE MONTHS AVERAGE COMMODITY REVENUE AT STIPULATED RATES

CUSTOMER CONSUMPTION REVENUE	Annual Cubic Feet	Avg Monthly Consumption	3 Months Ave Consumption	Stipulated Rate Per 100 CF	Total 3-Month Consumption Revenue
Roats Domestic Residential	47,117,498	3,926,458	11,779,375	0.95	\$111,904.06
Juniper Domestic Residential	3,873,700	322,808	968,425	0.95	\$9,200.04
The Pines/Crown Villa	1536000	128000	384000	1.86	\$7,142.40
Totals	52,527,198				\$128,246.50

The total of three months of base rate revenue of \$365,433 and 3 months of consumption revenue of \$128,246 equals a total of \$493,679.

Three Months Revenue Loss without New Stipulated Rates Effective January 1, 2017

Table 3 and 3A & 3B below show the three-month revenue loss Roats will experience in base and commodity rates if the stipulated rates do not go into effect on January 1, 2017.

TABLE 3 - THREE MONTHS BASE RATE REVENUE LOSS

CUSTOMER BASE RATE LOSS	Meter Size	Current Tariff Base Rate	Stipulated Base Rate	Difference in Base Rates: Current & Stipulated	Number of Customers	Monthly Revenue Loss	Times 3 Months	3 Month Revenue Loss
Residential/Comm/Multi-Family	5/8" 3/4"	\$26.80	\$33.45	\$6.65	1443	\$9,595.95	3	\$28,787.85
Residential/Comm/Multi-Family	1"	\$32.16	\$48.17	\$16.01	236	\$3,778.36	3	\$11,335.08
Residential/Comm/Multi-Family	1 1/2"	\$38.59	\$57.80	\$19.21	46	\$883.66	3	\$2,650.98
Residential/Comm/Multi-Family	2"	\$49.58	\$74.26	\$24.68	24	\$592.32	3	\$1,776.96
Juniper Domestic Residential	5/8" 3/4"	\$26.80	\$33.45	\$6.65	535	\$3,557.75	3	\$10,673.25
Juniper Domestic Residential	1"	\$32.16	\$48.17	\$16.01	30	\$480.30	3	\$1,440.90
The Pines/Crown Villa Domestic	5/8" 3/4"	n/a	\$17.58	n/a	256	\$4,500.48	3	\$13,501.44
Flat Rate								
Standard Irrigation	n/a	n/a	\$48.80	n/a	564	\$27,523.20	3	\$82,569.60
The Pines/Crown Villa Irrigation	n/a	n/a	\$23.16	n/a	275	\$6,369.00	3	\$19,107.00
TOTAL 3-MONTHS BASE RATE REVENUE LOSS								\$171,843.06

TABLE 3A - THREE MONTHS COMMODITY RATE REVENUE LOSS FOR ROATS AND JUNIPER DOMESTIC

CUSTOMER CONSUMPTION REVENUE LOSS ROATS & JUNIPER DOMESTIC	Annual Cubic Feet	Avg Monthly Consumption	3 Months Ave Consumption	Difference in Stip Rate and Current Rate Per 100 CF	Total 3-Month Consumption Revenue
Roats Domestic	47,117,498	3,926,458	11,779,375	0.188	\$20,410.41
Juniper Domestic	3,873,700	322,808	968,425	0.188	\$159.33
Total Consumption Rev Loss	50,991,198				\$20,569.74

Table 3A shows the revenue loss due to the difference in Roats current domestic commodity rate of \$.762 per 100 cf and the stipulated commodity rate of \$.95 per 100 cf. The difference between the current commodity rate and the stipulated commodity rate for domestic customers is \$.1888 per 100 cubic feet.¹

TABLE 3B - THREE MONTHS COMMODITY RATE REVENUE LOSS FOR THE PINES AND CROWN VILLA

CUSTOMER CONSUMPTION REVENUE LOSS THE PINES & CROWN VILLA	Annual Cubic Feet	Avg Monthly Consumption	3 Months Ave Consumption	Stipulated Rate Per 100 CF	Total 3-Month Consumption Revenue
The Pines/Crown Villa	1536000	128,000	384,000	1.86	\$7,142.40

Table 3B shows the revenue loss due to the loss of commodity revenue for The Pines and Crown Villa at the stipulated rates as Roats does not have a rate tariff that covers these new customers.

The total of Tables 3, 3A and 3B calculate the three months of commodity revenue loss to Roats of \$199,555, shown below.

3 Months Base Rate Revenue Loss	171,843
3 Months Domestic Commodity Revenue Loss	20,570
3 Months The Pines/Cr. Villa Commodity Loss	<u>7,142</u>
Total 3 Months Revenue Loss	199,555

Summary

In summary of the revenue, costs, and revenue loss tables above, the three-month average cost to serve all customers on January 1, 2017, will be approximately \$443,229. If the stipulated rates were implemented on January 1, 2017, Roats would receive approximately \$493,679 in revenue for the three months. If the stipulated rates are not effective until April 1, 2017, Roats will lose approximately \$199,555 in revenue for those three months leaving Roats with a deficit of \$149,105, as shown below:

3 Months Revenue @ Stipulated Rates	\$ 493,679
Minus 3 Months Cost to Roats	\$ 443,229
Subtotal	\$ 50,450
Minus 3 Months Revenue Loss	\$ 199,555
Deficit	\$ (149,105)

¹ Irrigation rates are flat rates and do not include a commodity rate.

In addition, any return that Roats may realize in the next 12 months will be used to pay the loan payment to the City of Bend and needed capital improvements and will not be sufficient to cover the three-months loss of revenue.

ROATS CURRENT CUSTOMERS

Roats' current rate case, UW 166, is Roats' first rate case since 2005. During the intervening eleven years, costs of providing service to its current customers have experienced significant inflation increases and have risen markedly. Roats' existing customers have grown from 1,112 to 1,749. Roats has been and continues to incur these additional expenses. However, because of the economies of scale and the larger customer base due to the acquisition of Juniper, Roats current customers will have lower rates than they would without the Juniper acquisition.

Roats existing customers will benefit from the resources available from the increased revenue provided by the stipulated rates in the following ways:

- 1) Roats' customer base has increase from 1,112 to 1,749 customers. With a 57% increase in water accounts and the additional work load requires more labor in the field and office along with the other costs associated with a larger customer base. The additional revenue will allow Roats to hire a new employee to help provide service to these customers. The new employee wages and benefits are included in the stipulated rates. The new employee was necessary because of the larger customer base whether or not the acquisition of Juniper was approved.
- 2) The stipulated rates include funds to implement capital improvements listed in the financing application for the existing customers benefit sooner rather than later.
- 3) The existing customers will benefit from the acquisition of Juniper and the stipulated rates in that the distribution mains in the Juniper system will provide for an additional gravity fed water source to provide enhanced fire flow and redundancy to the existing Roats customers. In the event of an unforeseen emergency or power outage one more gravity feed water source could mean customers would have uninterrupted service and fire protection during that period of time. Roats currently has two gravity fed water sources. This new additional gravity fed water source to the system provides three sources of gravity feed water to the distribution system. The redundancy helps ensure that Roats can continue to provide water service and fire protection to its existing customers without interruption.

Given that UW 166 proposed rates reflect the additional expenses that Roats is currently incurring on behalf of its existing customers, Roats respectfully request they be implemented on January 1, 2017, subject to refund.

ROATS NEWLY ACQUIRED DOMESTIC CUSTOMERS

With the acquisition of Juniper, Roats will take on 821 additional domestic customers. This, of course, results in more short term as well as ongoing expense to the Utility. With the Commission's approval of the acquisition loan, and the executed sale contract with the City of Bend, Roats is now beginning preparations to serve these new customers. Roats is currently installing three connections from its existing water mains to the Juniper domestic main lines. Other preparation work includes adding the new domestic customers to Roats' billing system (which is labor intensive because they must be entered manually), setting up service accounts, meter reading routes, new service territory maps, and working

with the city attorneys on the asset transfers. Roats must implement these administrative and operational changes now to ensure customers experience a seamless transition and receive quality water service during and after the changeover.

Since Roats will begin serving these additional domestic customers at the first of the new year, it respectfully requests the stipulated rates be implemented on January 1, 2017, subject to refund.

ROATS NEWLY ACQUIRED IRRIGATION CUSTOMERS

With the acquisition of 564 new Juniper “standard” irrigation customers (the remaining 275 irrigation customers are in the Pines and Crown Villa customer class discussed below), Roats will incur the additional expense of serving this new clientele. As with the new domestic customers, Roats is currently experiencing costs as they prepare to serve the new irrigation customers. Roats must integrate Bend’s SCADA/Telemetry equipment currently on the irrigation system into Roats system, set up customer accounts, and manually transfer the City's customer data and maps into Roats billing software. Due to the age of the City's billing software, there is no cost-effective way to electronically migrate the data into Roats’ database.

This winter Roats must perform preventative maintenance work on the irrigation system. In particular, control valves components need replacement and leaks need to be repaired. In addition, prior to irrigation season Roats has only months to do the ground work to learn the operation of the irrigation system and where the critical components are. Roats will be renting GIS equipment this winter to do the field work to identify the field coordinates of the irrigation assets required for Roats’ asset data base and mapping. This information is essential in cases of emergencies, along with other work such as line locations, shut offs, leak repair, valve exercising, etc. This all requires additional labor which is indicated in UW 166.

As discuss above, Roats has much work to do to be prepared for the irrigation season and is incurring costs necessary to provide adequate service to its new irrigation customers starting January 1st. The income requirements to run that irrigation system is based on 12 equal payments on an annual basis, so the loss of three months of irrigation revenue is significant. The remaining nine months of revenue will not cover the costs to operate the irrigation system.

Roats current tariffs does not include irrigation service rates. Without tariffs, Roats cannot charge customers for irrigation services. The Utility will begin serving these new irrigation customers the beginning of 2017. Roats respectfully request these rates be implemented on January 1, 2017, subject to refund.

THE PINES AND CROWN VILLA

These new customers include a mobile home park (The Pines) and a recreational vehicle park (Crown Villa) which receive both domestic and irrigation services. Roats current tariffs do not apply to The Pines and Crown Villa for either their domestic or irrigation service.

- Domestic. Because of the unique characteristics of these customers and the water system, they are significantly different than Roats other domestic customers. They have therefore been classified into their own customer class. As a result, Roats and staff have stipulated that these customers be charged differently than the “standard” domestic customers. Roats has no current tariff for this customer class. Roats must have a domestic rate tariff for The Pines and

Crown Villa in place effective January 1, 2017, in order to begin charging these customers for domestic service.

- Irrigation. Again, due to the unique characteristics of the customers of The Pines and Crown Villa, they are significantly different than the “standard” irrigation customers. Therefore, they have been designated as their own irrigation customer class. Roats must have an irrigation rate tariff for The Pines and Crown Villa in place effective January 1, 2017, in order to begin charging these customers for irrigation service.

Roats respectfully requests a new domestic rate tariff and a new irrigation rate tariff for The Pines and Crown Villa, subject to refund, be approved effective date of January 1, 2017, so Roats can charge these customers for the services they will be receiving as of that date.

ADDITIONAL ISSUES

In addition to the expenses outlined above, there are other cost that Roats will incur. In particular, the repayment of the loan from the City of Bend. Roats payment to the City will be \$91,000 and is due at the end of 2017. The loss of three months of revenue will severely hinder the Utility’s ability to make its loan payment. Also, Roats must purchase additional tools, equipment etc. for use now (not April 1st) to ensure they are able to transition to, and operate, the new system.

Roats understands that the Commission may set different rates than those agreed to in the stipulation with Staff. Since the requested rate tariffs in this advice filing are subject to refund, if the Commission does approve rates lower than the stipulated rates, Roats will refund customers the difference.

Roats respectfully requests that the attached tariffs, subject to refund, become effective on January 1, 2017. If you have any questions regarding this filing, please contact me at 541-348-2125 or billroats@gmail.com.

Sincerely,

Bill Roats
President
Roats Water System, Inc.

Enclosures



CITY OF BEND

November 10, 2016

Via first class mail

Oregon Public Utilities Commission
PO Box 1088
Salem, OR 97308-1088

Re: Roats Water System, Inc. UF4298

To Whom it May Concern:

This letter is to confirm that the City has agreed to transfer the right to provide water service to Juniper Utility Customers as set forth in the Asset Purchase Agreement, which is scheduled to close on or before December 31, 2016, with customers to be served by Roats Water System, Inc. on January 1, 2017. Please contact me if you have any questions or need additional information. Thank you.

Sincerely,

Eric King, City Manager
eking@bendoregon.gov

Copy: Roats Water System, Inc.

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CITY MANAGER
Eric King

CITY ATTORNEY
Mary A. Winters

LESS THAN STATUTORY NOTICE APPLICATION

This document may be electronically filed by sending it as an attachment to an electronic mail message addressed to the Commission's Filing Center at puc.filingcenter@state.or.us.

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

IN THE MATTER OF THE APPLICATION OF)	UTILITY L.S.N. APPLICATION
Roats Water System, Inc.)	NO. _____
(UTILITY COMPANY))	(LEAVE BLANK)
TO WAIVE STATUTORY NOTICE.)	

NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT.

1. GENERAL DESCRIPTION OF THE PROPOSED SCHEDULE(S) ADDITION, DELETION, OR CHANGE. (SCHEDULE INCLUDES ALL RATES, TOLLS AND CHARGES FOR SERVICE AND ALL RULES AND REGULATIONS AFFECTING THE SAME)

Roats Water System, Inc. desires to replace its current rate tariff sheet for residential, commercial, and multi-residential service; add a new domestic service rate tariff for the mobile home park and RV parks known as The Pines and Crown Villa, respectively; and add two new irrigation service rate tariffs. Roats desires to replace the Index Page of its current tariff with an updated version,

2. APPLICANT DESIRES TO CHANGE THE SCHEDULE(S) NOW ON FILE KNOWN AND DESIGNATED AS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)

Roats Water System, Inc desires to change the current tariff for residential, commercial and multi- residential service known and designated as Third Revised Sheet No. 3, Schedule No. 1.

Roats Water System, Inc desires to update the Index Page, Original Sheet No. 2 to update the contents.

3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE AND ITEM)

Roats hereby submits a new tariff, Schedule No. 1, Fourth Revised Sheet No. 3 to replace Roats' current tariff, Schedule No. 1, Third Revised Sheet No. 3 for residential, commercial, and multi-family service rates.

Roats also submits a new rate tariff designated Schedule No. 1A, Original Sheet No. 3A, for customers of The Pines (mobile home park) and Crown Villa (recreational vehicle park) customers that Roats is acquiring on January 1, 2017.

Roats submits two new irrigation rate tariffs designated Schedule No. 1B, Original Sheet No. 3B and Schedule No. 1C, Original Sheet No. 3C for irrigation customers that Roats is acquiring on January 1, 2017.

Roats also submits an updated index page, First Revised Sheet No. 2 to replace Original Sheet No. 2.

4. REASONS FOR REQUESTING A WAIVER OF STATUTORY NOTICE:

Roats Water System, Inc. is acquiring portions of the Juniper domestic and irrigation system along with the relevant customers from the City of Bend. The purchase of Juniper was approved by the Commission in Docket UF 4298 on November 8, 2016. The purchase will close on or before December 31, 2016 with Roats providing service to the Juniper customers on January 1, 2017. Roats current tariffs do not cover all the services it will be providing on January 1, 2017.

The rates for the requested tariffs are stipulated rates between staff and the utility in UW 166, Roats current rate case.

Roats requests that these stipulated rates be effective on January 1, 2017, which is prior to the Commission's final order approving rate, but be subject to refund, in order to allow the utility to charge its customers with rates that will cover the expenses to provide service.

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE(S) OR CHANGE(S): January 1, 2017

. AUTHORIZED SIGNATURE	TITLE President, Roats Water System, Inc.	DATE
PUC USE ONLY		
<input type="checkbox"/> APPROVED <input type="checkbox"/> DENIED	EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE	

AUTHORIZED SIGNATURE

DATE

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Issue Date	ROATS WATER SYSTEM, INC.	Effective for services on and after	JANUARY 1, 2017
Issued By	WILLIAM K. ROATS <i>(at least 30 days after PUC receives filing)</i>		

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	\$33.45	None	cubic feet
1 inch	\$48.17	None	cubic feet
1½ inches	\$57.80	None	cubic feet
2 inches	\$74.26	None	cubic feet
3 inches	\$501.75	None	cubic feet
4 inches	\$836.26	None	cubic feet
6 inches	\$1672.51	None	cubic feet

Multi-Residential / Multi-Commercial Metered Rates

Service Meter Size	Monthly Base Rate	Usage Allowance	Unit of Measure
Includes all meters	\$33.45 per dwelling unit	None	cubic feet

Commodity Usage Rate

Commodity Rate		Number of Units	Unit of Measure	Base Usage Allowance	
\$0.95	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 3% 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	ROATS WATER SYSTEM, INC.	Effective for services on and after	JANUARY 1, 2017
Issued By	WILLIAM K. ROATS	<i>(at least 30 days after PUC receives filing)</i>	

SCHEDULE NO. 1A

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	\$17.58	None	cubic feet
Crown Villa ¾ x 5/8 inch	\$17.58	None	cubic feet

Commodity Usage Rate

Commodity Rate		Number of Units	Unit of Measure	Base Usage Allowance
\$1.86	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.
3. A franchise fee of 3% 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	ROATS WATER SYSTEM, INC.	Effective for services on and after	JANUARY 1, 2017
Issued By	WILLIAM K. ROATS <i>(at least 30 days after PUC receives filing)</i>		

SCHEDULE NO. 1B
IRRIGATION FLAT RATE

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

Applicable: To residential, commercial, and common areas receiving irrigation servicer.

Irrigation Flat Rate

Flat Rate per Month for 12 Months per Calendar Year
\$48.80

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 3% 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	ROATS WATER SYSTEM, INC.	Effective for services on and after	JANUARY 1, 2017
Issued By	WILLIAM K. ROATS	<i>(at least 30 days after PUC receives filing)</i>	

SCHEDULE NO. 1C

THE PINES AND CROWN VILLA IRRIGATION RATE

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

Applicable: To the mobile home and RV customers and the common areas receiving irrigation service.

Irrigation Flat Rate

Flat Rate per Month for 12 Months per Calendar Year
\$23.16

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 3% 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	ROATS WATER SYSTEM, INC.	Effective for services on and after	JANUARY 1, 2017
Issued By	WILLIAM K. ROATS <i>(at least 30 days after PUC receives filing)</i>		