

PLEASE FILL IN ALL BLANKS

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

FROM:

Charbonneau Water Company, LLC

(Name of Water Utility)

32020 S./W. Charbonneau Dr.

(Address)

Wilsonville, Oregon 97070

(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
Charbonneau Water Company, LLC)
(utility name))

Charbonneau Water Company, LLC

(name of utility owner)

In accordance with Oregon Revised Statutes 757.205 and 757.220, herewith files tariff sheets designated as PUC Oregon No. 2, Original Tariff Sheets No. 1 through 19 to become effective for service rendered on and after October 1, 2012. The purpose of this filing is to:

1) ☒ Establish rates resulting in total annual revenues of \$275,420. This is an ☒ increase or ☐ decrease to the utility's total annual revenues from \$212,641 to \$275,420, resulting in a net increase of \$62,779 or 30% percent.

After deducting for operating expenses, the projected revenues will produce a 10.5 percent return on a rate base of \$793,305.

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 March 31, 2012.**

Richard Schultze

(signature of utility owner or officer)

March 26, 2012

(date)

Richard Schultze

(printed name of owner or officer)

President

(title or position)

Charbonneau Water Company, LLC

(legal name of utility)

Attachment

UTILITY COMPANY TESTIMONY

(Question and Answer Format)

PLEASE FILL IN ALL BLANKS

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

A.

Legal Name	Charbonneau Water Company, LLC		
Business Address	32020 S.W. Charbonneau Dr.		
City, State, Zip	Wilsonville, Oregon 97070		
Telephone Number	503-694-2704	Emergency Number	503-694-2454
Fax Number	503-694-2323	Email Address	lori@charbonneaugolf.com

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

A.

Name	Alan Arsenault		
Title	General Manager		
Address	32020 S.W. Charbonneau Dr.		
City, State, Zip	Wilsonville, Oregon 97070		
Telephone Number	503-694-2454	Emergency Number	
Fax Number	503-694-2323	Email Address	alan@charbonneaugolf.com

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

A.

Operator Name	Mary Rock		
Address	32020 Charbonneau Dr.		
City, State, Zip	Wilsonville, Oregon 97070		
Telephone #	503-694-2361	E-Mail Address	maryrock@charbonneaugolf.com
Certified Operator <input type="checkbox"/> yes <input checked="" type="checkbox"/> no	Certification Level	Registration Number	

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

A. The utility's ☐ accountant or ☒ bookkeeper is:

Name	Lori Brazille
Address	32020 Charbonneau Dr.
City, State, Zip	Wilsonville, Oregon 97070
Telephone Number	503-694-2704
E-Mail Address	lori@charbonneaugolf.com

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

A. The utility owners are:

Name	Charbonneau Golf Club, Inc
Address	32020 S.W. Charbonneau Drive
City, State, Zip	Wilsonville, Oregon 97070
Telephone Number	503-694-2704

Name	
Address	
City, State, Zip	
Telephone Number	

Name	
Address	
City, State, Zip	
Telephone Number	

Name	
Address	
City, State, Zip	
Telephone Number	

Attach additional page[s] if necessary)

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

A. The utility officers are: (Attach additional page[s] if necessary)

Name	Dick Schultze		
Title	President		
Address	7240 S.W. Lake Bluff CT		
City, State, Zip	Wilsonville, Oregon, 97070		
Hours Worked		Annual Salary	\$0
Phone Number	503-922-3546		
E-Mail Address	dickschultze@comcast.net		

Name	Jim Gibbons		
Title	Vice President		
Address	32400 S.W. Boones Bend Rd		
City, State, Zip	Wilsonville, Oregon 97070		
Hours Worked		Annual Salary	\$0
Phone Number	503-694-5273		
E-Mail Address	golfrules4@yahoo.com		

Name	Laura Noffke		
Title	Secretary		
Address	8250 S.W. Fairway Drive		
City, State, Zip	Wilsonville, Oregon, 97070		
Hours Worked		Annual Salary	\$0
Phone Number	503-694-6195		
E-Mail Address	lgnoffke@comcast.net		

Name	Bob Wiese		
Title	Treasurer		
Address	32140 S.W. Armitage Rd		
City, State, Zip	Wilsonville, Oregon 97070		
Hours Worked		Annual Salary	\$0

Phone Number	503-694-2668
E-Mail Address	rm.wiese@hotmail.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 oversee the operation of the Water Company with our superintendent, review all expenditures, answer questions relative to the billing, attend water meetings, and represent the Water Company for the Board of Directors. I enter the meter readings once a month and verify the actual usage, post them to the HOA's account, and prepare the billing for the HOA's and then have the bookkeeper enter them into our accounting system. This includes the delivery and maintaining the Strategic Plan for maintenance and upgrade.

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, they are Charbonneau Golf Club

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:

Name	Alan A. Arsenault CCM, General Manager
Address	32020 S.W. Charbonneau Dr.
City, State, Zip	Wilsonville, Oregon 97070
Telephone Number	503-694-2454
E-Mail Address	alan@charbonneaugolf.com

SUMMARY OF THE UTILITY'S PROPOSED RATE REQUEST

10. Q. WHAT CHANGE IN ANNUAL REVENUES IS THE UTILITY SEEKING?

- A. The utility's current year revenues are \$ 212,641. The utility seeks a rate increase of \$62,779 or 30% in current annual revenues, resulting in total annual revenues of \$275,420. The total annual revenues are \$8,127 decrease versus those authorized by the Commission in the company's first rate case (Order No. 10-061 (entered 2/23/2010)).

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

- A. The test period the utility has selected is April 1, 2011 to March 31, 2012 which corresponds to the Water Company's fiscal year. This filing contains 11 months of actual financial data and one month, March, 2012, of estimated financial data which will be updated as soon as the books are closed for the Water Company's fiscal year. Test year usage volumes are known since the company does not normally provide irrigation water during the winter season.

Q. IS THE COMPANY PROPOSING ANY ADJUSTMENTS TO THE TEST YEAR EXPENSES?

- A. Yes, a few minor adjustments have been made to the test year. First, an adjustment of \$13,444 (plus benefits of \$1,184 and payroll taxes of \$463) has been added to the expense to compensate for one employee who was unable to work for a significant part of the year. An adjustment has made for maintenance work (\$16,000 O&M) which he would have performed. In addition, we have estimated the impact of inflation on several expense items. These amounts are all shown in the "adjustments" column of \$33,712. In addition, adjustments have been made for State and Federal income taxes.

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

A. The utility rate base is \$793,305 which is less than the rate base approved in Order No. 10-061.

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

A. The utility is proposing a 10.5 % rate of return on rate base. This rate of return is supported by a 2011 Commission water utility order indicating “that a 10 percent return on equity is ‘routine’ in water cases and compares favorably with returns authorized in recent energy rate cases” (Order No. 11-100, March 31, 2011, page 2). The Charbonneau Water Company should be considered riskier than most other water companies since it does not provide domestic water, it only provides non-potable irrigation water to its customers. This means the company’s revenue stream has the potential to vary significantly from year to year based on changing weather conditions, both precipitation and temperatures, and conservation efforts taken by its customers. Therefore, since the Charbonneau Water Company is 100% equity financed, it should be authorized to have a return on equity above the norm for water companies.

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

A. We are seeking this change in rates because current rates established by the Commission in Order No. 10-061 have resulted in revenues of \$212,641 which is \$70,906 below the Commission authorized revenue requirement. Without this increase, the Water Company will not be able to continue serving its customers and performing the required repairs, replacements and necessary improvements to sustain and maintain the service. (See Question #35)

The Water Company’s fifteen customers consist of thirteen neighborhood homeowner associations (HOAs), a country club that owns and maintains certain common areas, and a golf course. Our non-potable water is used by the associations to irrigate common-area and residential landscaping and, in two associations, also to maintain aesthetically pleasing ponds.

The Water Company must generate revenue sufficient to sustain it as an ongoing supplier of water to its customers. We believe the proposed rates are necessary to build up adequate reserves and to

replenish them in a timely manner to meet future capital requirements. We believe we have carefully designed the requested rate structure to be fair to all. We view the requested rate structure as critical to both the long and short-term financial viability of the Water Company.

Q. WHY HAS THE WATER COMPANY UNDERRUN ITS AUTHORIZED REVENUE REQUIREMENT GIVEN THE RATES ESTABLISHED IN ORDER NO. 10-061?

- A. Billed water usage has been significantly below the usage levels used in the initial rate case. Two factors are primarily impacting the billed usage: 1) weather and conservation efforts by customers; 2) an adjustment for water previously billed incorrectly to the Golf Course which will be termed "bleed."

Q. HOW DOES THE TEST YEAR USAGE COMPARE TO THE LEVEL USED IN THE RATE CASE?

- A. Because of weather and conservation efforts by users, the amount of water pumped during the test year was 16% below the level used in the rate case. This amounts to a reduction of about \$31,500.

Q. PLEASE EXPLAIN THE BLEED FACTOR AND HOW IT IMPACTS THE WATER COMPANY REVENUE.

- A. To understand the bleed factor, you first need to understand how the Water Company measures usage for all of its customers. The 13 HOA customers and the country club all have one or more meters that measure the amount of water used. The only other metering available is the total amount of water pumped through the irrigation system. This water is distributed through common pipes and used by the HOAs, the country club as well as the golf course. During the initial rate case test year and fiscal 2009-2010, the amount billed to the golf course was derived by simply subtracting the sum of the HOA and country club usage from the total amount pumped on the assumption that all other usage belonged to the golf club.

In 2010, we started to suspect that the Water Company was charging the Golf Course for water that was not truly "used". During a test period in November, when there should have been no water

demand, we saw from instrumentation in the pump controller that we were apparently using 110 gallons per minute. We traced this down to the main pond fountains; when they were on, this “usage” was recorded as Golf Course usage whereas in reality the water was not “used” – it was being re-circulated to the pond! Since these fountains were often turned on around the clock in summer months – to help control algae – this resulted in a large excess charge (multiplied out it comes to \$311.29 for the 211.76 units “used” in a 24 hour period).

While checking the data from the above fountain re-circ false usage, we saw a smaller activity that was also contributing to the high apparent usage. There are 23 customer-owned automatic flush filter units that, during their daily 5 minute flush cycle each use 150 gallons of water (this water was also being charged to the Golf Course). The cleaning of the 23 units results in a daily excess charge of \$6.80 – every day the system is operating.

Since a detailed record of the hours the pumps were running during the 2010-2011 fiscal year was not available, a conservative estimate was made of the bleed for year at 25,966 units which was subtracted from golf course usage.

Q. WHAT IS THE TOTAL AMOUNT OF USAGE THAT HAS WAS INCORRECTLY CHARGED TO THE GOLF COURSE DURING THE TEST YEAR?

- A. In order to add additional precision to the bleed calculations, a detailed record was kept of the days and hours the pumps were running during the 2011-2012 test year. Based on the methodology described above and these detailed records, the bleed adjustment during the test year was 29,644 units which equates to \$43,577. This adjustment alone amounts to a 22% reduction in billed usage versus the prior rate case.

Q. WHAT PLANS DOES THE COMPANY HAVE TO MORE ACCURATELY ACCOUNT FOR THE BLEED AS DESCRIBED ABOVE?

- A. The company plans to install a meter to measure the number of units that are re-circulated in the reservoir. That will provide an accurate measurement of that portion of the bleed. This will not account for the use of water in the filters for flushing.

Q. HOW DOES THE TOTAL AMOUNT OF BILLED UNITS COMPARE TO THE USAGE USED IN THE RATE CASE?

- A. The combined effect of the reduced customer demand and the bleed adjustment reduces billed usage by 38% versus the estimates used in the prior rate case.

Q. HOW HAS THE UNDERRUN IN USAGE IMPACTED THE WATER COMPANY'S OPERATIONS?

- A. Because the original rate design was based on "a 30/70 allocation of revenues of revenues to encourage conservation and avoid rate shock" (Order No. 10-061, page 2), the company is heavily dependent on usage to generate its total revenue needs. Due to weather, conservation and the incorrect billing of the golf course which was included in the original rate calculations, the reduced revenue has severely impacted the company's ability to maintain and service its plant.

Q. WHAT APPROACH IS THE COMPANY RECOMMENDING FOR THE PROPOSED RATE DESIGN?

- A. In order to provide a somewhat more stable revenue stream, the company is proposing a rate structure that increases the base rates to cover fixed costs. As proposed, 44% percent of revenue would come from the base rate versus 56% from the variable rate. The base rates are proposed so that fixed revenues cover monthly fixed expenses of \$10,000 per month. This ensures that even during the winter months, when no irrigation water is being provided, expenses will be covered. By leaving more than half of the revenue being generated by the usage rate, customers still have an opportunity to control a significant part of their bill by conservation efforts and reducing consumption.

Q. WHAT IS THE IMPACT ON INDIVIDUAL CUSTOMERS OF THE PROPOSED RATE DESIGN?

- A. Overall this filing represents a 30% increase in rates. Individual customer rate increases, based on test year usage, vary from 26% to 39% depending on the number of meters, the size of the meters and their amount of usage.

GENERAL UTILITY INFORMATION

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

- A. The water utility was legally organized on July 2008, under the laws of the State of Oregon as a:
- ☐ Proprietorship ☐ Partnership ☐ Corporation ☒ LLC ☐ Other:
- _____

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

- A. The system was originally constructed in 1971, began providing service on 1977.

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

- A. In March 1990 (mo/yr), the utility was (**check one**):
- ☒ Purchased ☐ Constructed ☐ Received through donation ☐ Inherited

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

- A. ☒ **No**, oral or written contracts **do not exist** between the utility and its owners and affiliated interests.
- ☐ **Yes, PUC approved contracts do exist** between the utility and its owners and affiliated interests. Approval found in PUC Order No. _____.
- ☐ **Yes, oral or written contracts do exist, but have not been approved by PUC**, between the utility and its owners and affiliated interests. I have attached a copy of these contracts, along with a cover letter requesting approval of these contracts.

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

- A. ☒ **No**, the utility has not filed an application with PUC for an approved service territory.
- ☐ **Yes**, the utility's service territory is approved by the PUC, per Order No. _____.
- ☐ Application has been filed and is pending.

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

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

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

- A. The utility currently employs no full-time and 5 part-time employees.

22. Q. PROVIDE THE FOLLOWING 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:

Employee Name	Position / Title	Monthly Responsibilities / Duties	Hours Per Month	Hourly Wage/ Monthly Salary
Alan Arsenault	General Manager	See question #7 (General Manager)	54	31.25hr
Mary Rock	Superintendent	Oversee Water operation and direct employees	43	41.54 hr
Jesus Alvarez	Water irrigation	pipe / valve repair/ meters pumps	49	12.78 hr
Juan Bustamante		pipe / valve repair/pumps	16	13.34
Allen Theiss		Equipment Maintenance	15	21.92
Part Time	open	digging	3	12.89
TOTAL			181	4,695.00

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

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

Proposed Position	Responsibilities/Duties	Hours Per Month	Hourly Wage/ Monthly Salary

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

- A. ☐ **No**, the utility does not contract for any services.

☒ Yes, the utility contracts for the following services:

Name of Independent Contractors	Description of Contract Services	Annual Charges
Labor Charbonneau Golf Club	Accounting services	6,180
Legal Black Helterline	Legal Filing	163
Accounting Robert Bennett	annual audit service	4,534
Management		0
Water Testing /Sampling		0
Other (specify)		

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

A. The utility's capital structure is:

Debt	Original Balance	Outstanding Balance	Loan Terms	Interest Rate (%)
Accounts Payable, General		1,481		
TOTAL DEBT		1,481		
TOTAL EQUITY	200,000	236,543		
<i>SAMPLE</i>	<i>Original Bal.</i>	<i>Current Bal.</i>	<i>Terms</i>	<i>Interest Rate</i>
<i>John Doe Bank</i>	<i>\$15,000</i>	<i>\$7,000</i>	<i>10 years</i>	<i>8.75 %</i>
<i>Utility Equity</i>		<i>\$10,000</i>		<i>9.5 %</i>

OPERATING REVENUES

26. Q. IN COLUMN A BELOW, PROVIDE THE UTILITY'S ACTUAL ANNUAL REVENUE FOR ITS CHOSEN TEST YEAR. IN COLUMN B BELOW, PROVIDE THE UTILITY'S PROPOSED ADJUSTMENTS (INCREASE OR DECREASE) TO COLUMN A FOR

THE COMING YEAR FOR EACH APPLICABLE ACCOUNT. COLUMN C IS THE TOTAL OF COLUMNS A AND B.

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

Acct #	OPERATING REVENUE	Test Year \$	Proposed Adjustments \$	Proposed Results (A + B = C) \$
461.1	Residential Water Sales Revenue			
461.2	Commercial/Industrial Water Sales Rev	211,061		211,061
462	Fire Protection Sales Revenue			
464	Water Sales to Public Authorities Rev			
465	Irrigation Water Sales Revenue			
466	Water Sales for Resale Revenue			
467	Golf Course Revenue			
468	Special Contract/Agreement Revenue			
	Other Interest Income	1,580	-1,580	0
TOTAL REVENUE		212,641	-1,580	211,061

27. Q. PLEASE PROVIDE THE DETAIL FOR ALL INDIVIDUAL LINE ITEMS THAT MAKE UP THE TOTAL REVENUES OTHER THAN WATER SALES.

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

DESCRIPTION OF REVENUE OTHER THAN WATER SALES	ANNUAL AMOUNT
Miscellaneous Fees (i.e. late fees, disconnections, field visits, etc.)	
Backflow Prevention Device Services (if offered)	
Rents from Water Property Acct 472	
Other (specify)	
TOTAL	

OPERATING EXPENSES

28. Q. IN COLUMN A: PROVIDE THE UTILITY'S ACTUAL ANNUAL EXPENSE FOR ITS CHOSEN TEST YEAR, USING THE APPROPRIATE ACCOUNT FOR EACH EXPENSE. IN COLUMN B: PROVIDE THE UTILITY'S PROPOSED ADJUSTMENTS (INCREASE OR DECREASE) FOR THE COMING YEAR.

IN COLUMN C: PROVIDE THE TOTAL OF COLUMN A PLUS COLUMN B.

Column C (Proposed Results) is the annual total for each expense the utility is requesting in this application.

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

Acct #	OPERATING EXPENSES	Test Year \$	Proposed Adjustments \$	Proposed Results (A + B = C) \$
601	Salaries & Wages – Employees	51,556	13,444	65,000
603	Salaries & Wages – Officers, Directors, and Majority Stockholders	0	0	
604	Employee Pensions and Benefits	5,316	1,184	6,500
610	Purchased Water	0		
611	Telephone/Communications	1,171	29	1,200
615	Purchased Power	24,022	100	24,122
616	Fuel for Power Production	0		
618	Chemicals/Treatment Expense	1,718	282	2,000
619	Office Supplies	912	288	1,200
619.1	Postage	1,200	100	1,300
620	Materials/Supplies (O&M)	4,419	16,000	20,419
621	Repairs to Water Plant	2,420	900	3,320
631	Contractual Services – Engineering	0		
632	Contractual Services – Accounting	4,533	-	4,533
633	Contractual Services – Legal	163	250	413
634	Contractual Services – Mgmt Fees	0		
635	Contractual Services – Testing	0		
636	Contractual Services – Labor	0		
637	Contractual Services – Billing/Collection	6,180	200	6,380

641	Rental of Building/Real Property	7,722	300	8,022
642	Rental of Equipment			
643	Small Tools			
Acct #	OPERATING EXPENSES	Test Year \$	Proposed Adjustments \$	Proposed Results (A + B = C) \$
648	Computer/Electronic Expense	420	60	480
650	Transportation Expense	720	200	920
656	Insurance – Vehicle	660	10	670
657	Insurance – General Liability	2,650	60	2,710
658	Insurance – Workers' Compensation	1,096	100	1,196
659	Insurance – Other			
660	Public Relations/Advertising Expense			
666	Amortization of Rate Case Expense		100	100
667	Gross Revenue Fee	496	105	601
671	Cross Connection Control Program Expense			
668	Water Resource Conservation Expense			
670	Bad Debt Expense			
672	System Capacity Development Program Expense			
673	Training and Certification Expense			
674	Consumer Confidence Report			
675	Miscellaneous Expenses (Itemize on Separate Schedule/ License & Fees)	237		237
401	TOTAL OPERATING EXPENSES	117,611	33,712	151,323

OTHER REVENUE DEDUCTIONS				
Acct #	OPERATING EXPENSES CONTINUED	Test Year	Proposed Adjustments	Proposed Results (A + B = C)
403	Depreciation Expense		31,746	31,746
406	Amortization of Utility Plant Acquisition Adjustment			
407	Amortization Expense			
408	Taxes Other Than Income Property & Payroll	22,561	2,788	25,349

409.10	Federal Income Tax		5,705	5,705
409.11	Oregon Income Tax		2,688	2,688
409.13	Extraordinary Items Income Tax			
434	TOTAL OTHER REVENUE DEDUCTIONS	22,561	42,927	65,488
TOTAL REVENUE DEDUCTIONS Add Operating Expense PLUS Other Deductions)		140,172	76,639	216,811

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

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

DESCRIPTION OF MISCELLANEOUS EXPENSES	ANNUAL COST
Industry Dues and Memberships	
Bank Charges	
Other (Specify)	
License and fees	237
TOTAL	237

UTILITY CURRENT RATES AND SCHEDULES

In the following questions, please indicate what type of service and how the water is measured (if metered).

☒ *M is for Metered Service* ☐ *F is for Flat Service* ☐ *CF is for Cubic Feet* ☐ *G is for Gallons*

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

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

CURRENT RATES FOR RESIDENTIAL SERVICE

Line or Meter Size	Check One	<u>Current</u> Residential Monthly Base or Flat Rate	Residential Consumption Included in Base Rate	Current Residential Monthly Commodity/Usage Rate
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3/4" or 5/8"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per Tier 3 - \$ Per	Up to: Up to: Above:
1"	<input type="checkbox"/> M <input type="checkbox"/> F	\$	0	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per Tier 3 - \$ Per	Up to: Up to: Above:
	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per Tier 3 - \$ Per	Up to: Up to: Above:
SAMPLE 5/8"	<input type="checkbox"/> M <input type="checkbox"/> F	\$20.00	None	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$.60 Per 100 gals Tier 2 - \$.82 Per 100 gals	Up to 3,000 gal Above 3,000 gal

CURRENT RATES FOR COMMERCIAL SERVICE

Line or Meter Size	Check One	Current Commercial Monthly Base or Flat Rate	Commercial Consumption Included in Base Rate		Current Commercial Monthly Commodity/Usage Rate	
3/4" or 5/8"	<input type="checkbox"/> M <input type="checkbox"/> F	\$na	na	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:
1"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$21.05	0	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.47 Per unit Tier 2 - \$ Per	Up to: Above:
1 1/2"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$42.10	0	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.47 Per unit Tier 2 - \$ Per	Up to: Above:
2"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$67.36	0	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.47 Per unit Tier 2 - \$ Per	Up to: Above:
3"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$126.30	0	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.47 Per unit Tier 2 - \$ Per	Up to: Above:
4"	<input type="checkbox"/> M <input type="checkbox"/> F	\$na	na	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:
6"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$421.00	0	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.47 Per unit Tier 2 - \$ Per	Up to: Above:

CURRENT RATES FOR IRRIGATION SERVICE

Line or Meter Size	Check One	Irrigation <u>Current</u> Monthly Base or Flat Rate	Irrigation Consumption Included in Base Rate		Current Irrigation Monthly Commodity/Usage Rate
	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per

	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per
	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per
	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per
	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per
	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per

CURRENT RATE FOR FIRE PROTECTION OR HYDRANT SERVICE

Type of Service	# of Customers	Monthly Rate
Public Fire Protection		\$
Private Fire Protection		\$
Hydrant Maintenance		\$
		\$
		\$
		\$

CURRENT RATE(S) FOR SPECIAL CONTRACT

State who the contract is with and explain the monthly charge(s) for each special contract.

Special Contract Company/Person	Monthly Rate
	\$
	\$
	\$
	\$
	\$
	\$

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
------------------------	------------------	------------------------

	<input type="checkbox"/> M <input type="checkbox"/> F	\$
	<input type="checkbox"/> M <input type="checkbox"/> F	\$
	<input type="checkbox"/> M <input type="checkbox"/> F	\$
	<input type="checkbox"/> M <input type="checkbox"/> F	\$
	<input type="checkbox"/> M <input type="checkbox"/> F	\$
	<input type="checkbox"/> M <input type="checkbox"/> F	\$

31. Q. PLEASE PROVIDE THE FOLLOWING INFORMATION FOR EACH CUSTOMER CLASS FOR THE MOST RECENT COMPLETED CALENDAR YEAR OF 2011/12.

(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 Beginning of Year	Number of Customers at End of Year	Total Annual Revenues	Total Annual Consumption	Cubic Feet or Gal
Residential			\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal
Commercial/Industrial	15	15	\$211,061	62,999,552	<input type="checkbox"/> CF <input checked="" type="checkbox"/> Gal
Multiple Dwellings			\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal
Irrigation			\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal
Fire Protection			\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal
Other (please specify)			\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal
			\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal
TOTAL	15	15	\$211,061	62,999,552	<input type="checkbox"/> CF <input checked="" type="checkbox"/> Gal

UTILITY PROPOSED RATES AND SCHEDULES

In the following questions, please indicate what type of service and how the water is measured (if metered).

X ☐ M is Metered Service ☐ F is Flat Service ☐ CF is Cubic Feet ☐ G or Gal is Gallons

32. Q. PLEASE DESCRIBE THE RATE STRUCTURE THE UTILITY IS PROPOSING IN THIS RATE PROCEEDING?

A. The utility is proposing the following rate structure:

PROPOSED RATES FOR RESIDENTIAL SERVICE

Line or Meter Size	Check One	Proposed Monthly Base or Flat Rate	Consumption Included in Base Rate	Proposed Monthly Commodity/Usage Rate		
3/4" or 5/8"	<input type="checkbox"/> M <input type="checkbox"/> F	\$	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:	
1"	<input type="checkbox"/> M <input type="checkbox"/> F	\$	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:	
Other Specify	<input type="checkbox"/> M <input type="checkbox"/> F	\$	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:	
Other Specify	<input type="checkbox"/> M <input type="checkbox"/> F	\$	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:	
Other Specify	<input type="checkbox"/> M <input type="checkbox"/> F	\$	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:	
Other Specify	<input type="checkbox"/> M <input type="checkbox"/> F	\$	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:	
Sample 3/4"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$20.00	<input type="checkbox"/> CF <input checked="" type="checkbox"/> Gal	Tier 1 - \$.60 Per 100 gals Tier 2 - \$.82 Per 100 gals	Up to 3,000 gals Above 3,000 gals	

PROPOSED RATES FOR COMMERCIAL SERVICE

Line or Meter Size	Check One	Proposed Monthly Base or Flat Rate	Consumption Included in Base Rate	Proposed Monthly Commodity/Usage Rate		
3/4" or 5/8"	<input type="checkbox"/> M <input type="checkbox"/> F	\$	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:	
1"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$ 29.33	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.85 Per unit Tier 2 - \$ Per	Up to: Above:	
1 1/2"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$ 58.65	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.85 Per unit Tier 2 - \$ Per	Up to: Above:	
2"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$ 93.84	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.85 Per unit Tier 2 - \$ Per	Up to: Above:	
3"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$ 175.95	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.85 Per unit Tier 2 - \$ Per	Up to: Above:	

6"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$ 586.51		<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.85 Per unit Tier 2 - \$ Per	Up to: Above:
8"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:

PROPOSED RATES FOR IRRIGATION SERVICE

Line or Meter Size	Check One	Proposed Monthly Base or Flat Rate	Consumption Included in Base Rate	Proposed Monthly Commodity/Usage Rate	
3/4" or 5/8"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per
1"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per
1 1/2"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per
2"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per
4"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per
6"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per
8"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per

PROPOSED RATES FOR FIRE PROTECTION OR HYDRANT SERVICE

Type of Service	# of Customers	Proposed Monthly Rate
Public Fire Protection		\$
Private Fire Protection		\$
Hydrant Maintenance		\$
		\$
		\$

PROPOSED RATES FOR SPECIAL CONTRACTS

State who the contract is with and explain the monthly charge(s) for each special contract.

Special Contracts	Proposed Monthly Rate	Proposed Annual Rate
	\$	\$

	\$	\$
	\$	\$
	\$	\$

PROPOSED RATE FOR OTHER SERVICE NOT COVERED ABOVE

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

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

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

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

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

Consumption is measured in <input type="checkbox"/> CF <input checked="" type="checkbox"/> GALS: Customer Class	CURRENT Average Monthly Bill	PROPOSED Average Monthly Bill	PROPOSED Average Monthly Consumption	PROPOSED Total Annual Revenue
Fairway Village HOA	145	191	103	2,292
Edgewater HOA	245	325	143	3,902
Village Greens II HOA	402	524	336	6,283
Charbonneau Greens HOA	304	393	276	4,718
Lakeside HOA	639	821	633	9,851
Village Greens I HOA	312	410	223	4,924
Charbonneau Village COA	419	560	219	6,715
Mariners CVCOA	747	939	663	11,268

[illegible]

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
Pump motor, 60HP, 460V, Marathon, High Eff	6/4/2010	\$3,245.90	6/4/2010
Pump Motor , new bearings, balance rotor	7/16/2010	\$1,882.00	8/17/2010
DHPO604 TECO Motor 60HP-ODP-364T-230/460	8/11/2011	\$2,300.00	9/06/2011
		\$	
		\$	
		\$	

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
Vault Cover Plate (two plates)	\$6,000	2012
Gate Isolation Valves replaced	\$8,000	2012
Meter, also for Fountain (Bleed)	\$1,000	2012
Concrete Pad for River Pump	\$10,000	2012/13

Future Plant Description	Estimated Cost (including labor)	Est. Date In Service
Inventory for three Meters	\$3,000	2012
Electrical Panel / Cover	\$4,500	2013

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

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

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

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 #	WATER UTILITY PLANT ACCOUNTS	IN SERVICE DATE	ORIGINAL COST
301	Organization		
302	Franchises		
303	Land & Land Rights		
304	Structures & Improvements		
305	Collecting/Impounding/Reservoirs	1990	206,575
306	Lake, River & Other Intakes	1990	47,545
307	Wells & Spring	1999	3,278
308	Infiltration Galleries & Tunnels		
309	Supply Mains	1990	116,403
310	Power Generation Equipment		
311	Pumping Equipment	1990	98,369
320	Water Treatment Equipment		
330	Distribution/Reservoirs/Standpipes		

331	Transmission & Distribution Mains	1990	608,250
333	Services		
334	Meters & Meter Installation	2008	137,880
335	Hydrants		
336	Cross Connection Control (Utility Owned)		
339	Miscellaneous Plant & Equipment	1999	181,983
340	Office Furniture & Equipment		
341	Transportation Equipment		
343	Tools, Shop & Garage Equipment		
344	Laboratory Equipment		
345	Power Operated Equipment		
346	Communication Equipment		
347	Electronic/Computer Equipment		
348	Miscellaneous Equipment	2010	12,555
TOTAL			1,412,843

38. Q. IN COLUMN A: PROVIDE THE UTILITY'S ACTUAL PLANT TOTAL FOR ITS CHOSEN TEST YEAR. IN COLUMN B: PROVIDE THE UTILITY'S 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	Proposed Results (A + B = C)
---------------	-----------	----------------------	---------------------------------

Total Utility Plant (from above)		1,347,867	
SUBTRACT Accumulated Depreciation of Utility Plant In Service		582,159	
SUBTRACT Accumulated Amortization of Utility Plant In Service		0	
SUBTRACT Advances For Construction		0	
SUB TOTAL		765,708	
ADD Plant Material & Supplies Inventory		17,796	
ADD Working Cash (1/12 total operating expense)		9,801	
TOTAL		793,305	

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

A. ☐ No, the utility does not have a master meter at its water supply source.

☒ Yes, the utility has a master meter at its water supply source. The total amount of water pumped during the last calendar year was 62,999,552 ☒ 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. See Water Right Information shown in Plant Information, Exhibit B, of this testimony.

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

A. The utility's source of ground water supply is Well and Willamette River as shown in Plant Information, Exhibit B, to this testimony.

☐ Well logs are attached.

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

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

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

44. 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

SERVICE QUALITY

45. 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:

46. 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: Meter Water for fountains (aeration of water for reservoir)

47. Q. DOES THE UTILITY ROUTINELY FLUSH ITS WATER LINES? IF SO, GIVE THE DATES AND TIMES FLUSHING OCCURS.

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

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

- A. **No**, the utility has not notified the customers of its regular flushing schedule.
- Yes**, the utility has informed the customers of its regular flushing schedule.

49. 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 _____ feet apart. The utility's fire insurance rating is _____.

50. Q. IS THE UTILITY CURRENT IN 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. N/A

- 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 _____

51. 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.

52. 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.

53. Q. DOES THIS CONCLUDE YOUR TESTIMONY?

- A. **Yes**.

Charbonneau Water Company, LLC

Customers

Charbonneau Country Club
Att: Susie Stevens Mgr
32000 S.W. Charbonneau Dr.
Wilsonville, Or 97070

Arbor Lake Townhome Assoc.
% Bob Bowden, Pres.
7195 S.W. East Lake Ct.
Wilsonville, Or 97070

Charbonneau Greens HOA
% Dick Kaegi, Pres.
31060 S.W. Boones Bend Rd.
Wilsonville, Or 97070

Village Center
Rick Schram (Att: Susie Stevens)
32000 S.W. Charbonneau Dr.
Wilsonville, Or 97070

Village Greens I HOA
Don Mason, Pres.
7766 S.W. Village Green Cir.
Wilsonville, Or 97070

Edgewater HOA
Paul Schwindt, Pres.
7991 S.W. Edgewater E.
Wilsonville, Or 97070

Fairway Estates HOA
Carol White, Pres.
32391 S.W. Lake Dr.
Wilsonville, Or 97070

Charbonneau HOA
David White, Pres.
32565 S.W. Lake Point CT.
Wilsonville, Or 97070

Fairway Village HOA
Debbie Davilla, Pres
% Steve Chinn, Property Mgr.
P.O. Box 2

Wilsonville, Or 97070

*Village Greens II HOA
Lou Alvarez, Pres.
31415 S.W. Village Green CT.
Wilsonville, Or 97070*

*Lakeside HOA
Al Senner, Pres.
7433 S.W. Lakeside Loop
Wilsonville, Or 97070*

*Fountain Lakes HOA
Carol White, Pres.
32391 S.W. Lake Dr.
Wilsonville, Or 97070*

*Charbonneau Village COA
Larry Emerson, Pres.
8376 S.W. Mariner's Dr.
Wilsonville, Or 97070*

*Charbonneau Golf Club
Dick Schultze, Pres.
7240 S.W. Lake Bluff CT.
Wilsonville, Or 97070*

CHARBONNEAU WATER COMPANY LLC

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

NAMING RATES FOR

**CHARBONNEAU WATER COMPANY LLC
32020 SW CHARBONNEAU DRIVE
WILSONVILLE OR 97070**

503-694-2704

**Serving water in the vicinity of
Wilsonville, Oregon**

Issue Date / Filing Date	March 26, 2012	Effective for Service on or after	October 01, 2012
Issued By Utility	Charbonneau Water Co. LLC		

Advice No. _____
(FOR PUC USE ONLY)

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Issue Date / Filing Date	March 26, 2012	Effective for Service on or after	October 01, 2012
Issued By Utility	Charbonneau Water Co. LLC		

Advice No. _____
(FOR PUC USE ONLY)

CHARBONNEAU WATER COMPANY LLC**SCHEDULE NO. 1****COMMERCIAL IRRIGATION METERED RATES**

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

Applicable: To commercial irrigations customers.

Base Rate

SERVICE METER SIZE	MONTHLY BASE RATE	USAGE ALLOWANCE
5/8 inch or 3/4 inch	\$n/a	0
1 inch	\$29.33	0
1½ inches	\$58.65	0
2 inches	\$93.84	0
3 inches	\$175.95	0
6 inches	\$586.51	0

Commodity Usage Rate

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$1.85	Per Unit	1 unit = 748 gallons

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 26, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.

Issue Date / Filing Date	March 26, 2012	Effective for Service on or after	October 01, 2012
Issued By Utility	Charbonneau Water Co. LLC		

Advice No. _____
(FOR PUC USE ONLY)

SCHEDULE NO. 2

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 Nos. 8 & 9)

Standard ¾-inch service	At cost
Nonstandard ¾ inch service	At cost
Larger than ¾-inch	At cost
Irrigation hookup (if provided on separate system)	At cost

Meter Test (Rule No. 21)

First test within 12-month period	N/C
Second test within 12-month period	\$65.00

Pressure Test (Rule No. 41)

First test within 12-month period	N/C
Second test within 12-month period	\$50.00

Late-Payment Charge (Rule No. 22)

Pursuant to OAR 860-036-0130
(as of 1/1/12 – 1.7%)

Interest Rate on Deposit for Service (Rule No. 5)

Pursuant to OAR 860-036-0040(2)
Pursuant to OAR 860-036-0050
(as of 1/1/12 – 0.1%)

Returned-Check Charge (Rule No. 23)

\$n/a

Trouble-Call Charge (Rule No. 37)

During normal office hours	\$30.00 per hour
After normal office hours on special request	\$45.00 per hour

Disconnection/Reconnect Charge (Rule Nos. 29 & 30)

During normal office hours	\$100.00
After normal office hours on special request	\$100.00

Unauthorized Restoration of Service (Rule No. 31)

Reconnection charge plus costs

Damage/Tampering Charge (Rule No. 35)

At cost

Disconnect Field-Visit Charge (Rule No. 30)

\$n/a

Issue Date / Filing Date	March 26, 2012	Effective for Service on or after	October 01, 2012
Issued By Utility	Charbonneau Water Co. LLC		

RULES AND REGULATIONS

Rule 1: Jurisdiction of the Commission

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

Rule 2 Definitions

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

Issue Date / Filing Date	March 26, 2012	Effective for Service on or after	October 01, 2012
Issued By Utility	Charbonneau Water Co. LLC		

APPLICATION FOR SERVICE

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

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

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

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

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

An application for service must be made where:

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

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

In accordance with the Commission's rules for credit establishment and deposits, an applicant for new service or a customer seeking continued service may be required to make a deposit to secure payment of bills for service. The deposit shall not exceed one-sixth (1/6) the amount of reasonable estimated billings for one year's use of service at the premises during the prior year or upon the type and size of the customer's equipment that will use the service. (OAR 860-036-0040 and 0045)

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

- ☐ 1. Issuing the customer a refund check, or
- ☒ 2. Crediting the customer's account.
(The customer is entitled to a refund check upon request.)

Rule 6: Customer Service Line

The customer shall own and maintain the customer service line and promptly repair all breaks and leaks. For non-metered service, the customer service line begins at the property line or utility-owned shut off valve. For metered service, the customer service line begins on the customer's side of the meter or utility-owned shut off valve. The Utility shall not be responsible for any damage or poor service due to inadequacy of the customer line or any portion of the customer's plumbing. All leaks in the customer line, faucets, and all other parts of the plumbing owned or controlled by the customer shall be promptly repaired so as not to waste water.

Rule 7: Separate Control of Service

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

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

The service connection is that portion of the water system between the Utility's main line and the customer's property line, including all material and installation (hot tap, pipes, fittings, meter, etc.) necessary to provide water service to the customer. The Utility shall own, operate, maintain, and replace the service connection when necessary and promptly repair all breaks and leaks. The

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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.
- D. In special cases and upon approval by the Commission, a customer may purchase and install the service connection (including meter, meter box, parts, and all excavation and plumbing) and contribute or gift the entire service connection to the Utility. Contributions of this type are generally excluded from rate base.

Rule 9: Service Connection Charge

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

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

The Utility shall specify the size, character, and location of pipes and appurtenances in any main line extension. Main line extensions shall normally be along streets, roads, highways, or other satisfactory rights-of-way. All construction work shall conform to all applicable rules, regulations, codes, and industry standards. Each main line extension shall normally extend along applicant's property line to the point the applicant's service line would be at a 90-degree angle to the street or main line.

Rule 11: Main Line Advances and Refunds Policy

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

For a period of N/A years after construction of the requested main line extension, the Utility shall also collect from any additional applicants who connect to the main line extension an amount per foot equal to the new applicant's proportionate share of the main line extension cost for that portion used. The Utility will then refund the share differential amount to those customers who previously shared the cost of said main line extension. Refunds shall not exceed the amount originally advanced.

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No part of the distribution system installed prior to the request for a main line extension shall be used to calculate any customer advance or refund.

Rule 12: Types of Use

Water service may be supplied for residential, commercial, irrigation, temporary construction, special contracts, fire prevention, and other uses. The Utility shall file separate rate schedules for each type of use and basis of supply.

Rule 13: Multiple Residences/Commercial Users

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

Rule 14: Utility Access to Private Property (OAR 860-036-0120(3)(b) and OAR 860-036-0205(3))

Customers shall provide access during reasonable hours to utility-owned service lines that may extend onto the premises of the customer for the purposes of reading meters, maintenance, inspections, or removal of Utility property at the time service is to be discontinued. Where the customer does not cooperate in providing reasonable access to the meter or to the premises, as required by law or to determine if a health or safety hazard exists, it is grounds for disconnection.

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

No water Utility employee shall enter the residence of its customers without proper authorization except in an emergency when life or property is endangered.

REFUSAL OF SERVICE**Rule 16: Refusal of Service Due to Customer Accounts (OAR 860-036-0080(1-3))**

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

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

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

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

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

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

The Utility shall not accept an application for service or materially change service to a customer if the Utility does not have adequate facilities or water resources to render the service applied for, or if the desired service is of a character that is likely to unfavorably affect reasonable service to other customers.

For refusal of service under this rule, the Utility shall provide a written letter of refusal to the applicant informing applicant that the details upon which the Utility's decision was based may be requested. A copy of such notice will be sent to the Commission. The details will include, but not be limited to:

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

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

The Utility shall refuse service to an applicant or customer whose facilities do not comply with applicable plumbing codes or, if in the best judgment of the Utility, are of such a character that safe and satisfactory service cannot be given.

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

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

The Utility shall purchase, own, maintain, and operate all meters. Meters placed in service shall be adequate in size and design for the type of service, set at convenient locations, accessible to the Utility, subject to the Utility's control, and placed in a meter box or vault between the street curb and property line. Each meter box or vault shall be provided with a suitable cover.

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

The water Utility shall have the right to set meters or other devices for the detection and prevention of fraud or waste without notice to the customer.

Each customer shall provide the Utility with regular access to the meter on the customer's property. Failure to permit access at reasonable times and after reasonable notice by the Utility requesting access is grounds for disconnection. (OAR 860-036-0120) Should damage result to the meter from molesting, tampering, or willful neglect on the part of the customer, the Utility shall repair or replace the meter and may bill the customer for the reasonable cost. (OAR 860-036-0105(7))

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

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

- A. Information necessary to identify the meter;
- B. Reason for making the test;
- C. Date of test;
- D. Method of testing;
- E. Meter readings;
- F. Test results; and
- G. Any other information required to permit convenient checking of methods employed.

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

A customer may request that the Utility test the service meter. Such test shall be made within 20 working days of the receipt of the request. The customer or the customer's representative has the right to be present during the test, which is to be scheduled at a mutually agreeable time. A written report shall be provided to the customer stating:

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

The first meter test in a twelve-month period is at no cost to the customer. If a customer requests a meter test more often than once in any 12-month period, the fee listed on the Miscellaneous Service Charges Schedule may be required to recover the cost of the test. If the meter is found to register more than 2 percent fast or slow under conditions of normal operation, the Utility shall refund the fee to the customer.

BILLING

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

All bills, including closing bills, are due and payable at the Utility office within 20 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 intervals on the corresponding day of each meter reading or billing period.

The bill shall be rendered immediately thereafter. (OAR 860-036-0120(3) requires water utilities to bill at monthly intervals. However, a Utility may request, upon application, special authority from the Commission to bill at intervals other than monthly.)

The Utility will keep at least 10 years of all billings records (flat or metered rates) and three years of meter readings. The Utility shall make a reasonable effort to prepare opening and closing bills from actual meter readings. When there is good reason for doing so, estimated bills may be submitted. Any estimated billings shall be clearly designated as such. When requested, the Utility shall demonstrate to the Commission the reason for the estimated billing.

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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 20 days of the date the Utility mailed or delivered the bill. (OAR 860-036-0125 requires a minimum of 15 days.)

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

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

Rule 23: Returned Payment Charge

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

Rule 24: Prorating of Bills

Initial and final bills will be prorated according to the number of days service was rendered and on the basis of a 31-day month. For metered services, a reasonable effort will be made to read the meter upon opening and closing a customer's account. Consumption will be charged at scheduled rates. Any minimum monthly charge will be prorated.

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CHARBONNEAU WATER COMPANY LLC**Rule 25: Adjustment of Bills (860-036-0135)**

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

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

Rule 26: Transfer Billings (860-036-0140)

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

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

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

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

DISCONNECTION OF WATER SERVICE**Rule 27: Voluntary Discontinuance (OAR 860-036-0210)**

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

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

Rule 28: Emergency Disconnection (OAR 860-036-0215)

The Utility may terminate service in emergencies when life or property is endangered without following the procedures set forth in OAR 860-036-0245. Immediately thereafter, the Utility will notify the customer and the Commission. When the emergency termination was through no fault of the customer, the utility shall not charge the customer for disconnection or restoration of service.

Rule 29: Disconnection of Water Service Charge for Cause (OAR 860-036-0205 and 0245)

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

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

Prior to disconnection on the day that the Utility intends to disconnect service, the Utility must make a good-faith effort to physically contact the customer to be disconnected or an adult at the customer's premise to be disconnected to advise the customer or adult of the proposed disconnection. If contact is not made, the Utility shall leave a notice in a conspicuous place at the customer's premise informing the customer that service has been or is about to be disconnected. The Utility shall document its efforts to contact the customer or an adult at the premises and make that documentation available to the customer upon request.

Service shall not be shut off for non-emergencies on a Friday or the day of a state- or Utility-recognized holiday or the day prior to such holiday. (OAR 860-036-0220) The Utility shall not disconnect irrigation service due to the failure to pay or meet obligations associated with nonirrigation service. (OAR 860-036-0225)

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

Disconnection for Failure to Comply With a Time Payment Agreement

A time-payment agreement disconnection occurs when a residential customer fails to comply with the terms of a written time-payment agreement between the customer and the Utility, or the Utility permits a time-payment agreement charge to become delinquent. 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. NOT APPLICABLE TO COMMERCIAL IRRIGATION CUSTOMERS.

Rule 30: Disconnection and Reconnection of Water Service and Field Visit ChargeDisconnection Charge

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

Reconnection Charge

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

Field Visit Charge

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

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

Rule 31: Unauthorized Restoration of Service

After the water has been disconnected or shut off at the curb stop or at the meter, if any person not authorized by the Utility should turn it on, the water service line may be disconnected without notice. Service shall not be reconnected until all arrearages; all cost-of-service disconnection and reconnection, charges listed on the Miscellaneous Service Charges Schedule are paid in full.

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CHARBONNEAU WATER COMPANY LLC**Rule 32: Unauthorized Use**

No person shall be allowed to make connection to the Utility mains, or to make any alteration to service connections, or to turn a curb stop off or on to any premises without written permission of the Utility. Meter tampering, diverting service, or any other unauthorized use of service will automatically cause a disconnection of the water service and may result in meter removal. All applicable fees, costs of disconnection and reconnection, past-due billings, and service charges listed on the Miscellaneous Service Charges Schedule must be paid in full before any service is restored. An advance deposit for restoration of service may be required.

Rule 33: Interruption of Service (OAR 860-036-0075)

The Utility shall have the right to shut off the water supply temporarily for repairs and other necessary purposes. The Utility shall use all reasonable and practicable measures to notify affected customers in advance of such discontinuance of service except in the case of emergency repairs. The Utility shall not be liable for any inconvenience suffered by the customer or damage to the customer's property arising from such discontinuance of service.

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

Rule 34: Water Supply/Usage Restrictions (OAR 860-036-0325)

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

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

Rule 35: Damages/Tampering

Should damage result to any of the Utility's property from molesting or willful neglect by the customer to a meter or meter box located in the customer's building, the Utility will repair or replace such equipment and will bill the customer for the costs incurred.

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CHARBONNEAU WATER COMPANY LLC**SERVICE QUALITY****Rule 36: System Maintenance (OAR 860-036-0305)**

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

The Utility shall keep such records of all routine maintenance as considered necessary for the proper maintenance of its system, including regular flushing schedules, exercising of valves, and valve inspections.

Rule 37: 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 38: Water Purity (OAR 860-036-0310)

The Utility shall deliver water for domestic purposes free from bodily injurious physical elements and disease-producing bacteria and shall cause such tests to be made and precautions taken as will ensure the constant purity of its supply. The Utility shall keep a record of all water quality tests, results, monitoring, and reports. NOT APPLICABLE TO IRRIGATION SERVICE.

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

Rule 39: Water Pressure (OAR 860-036-0315)

Each water Utility shall maintain pressure at a minimum of 20 pounds per square inch (psi) for health reasons to each customer at all times. The 20 psi standard is not presumed to be adequate service and do not restrict the authority of the Commission to require improvements where water pressure or flow is inadequate.

In general, 40 psi of water pressure in the water mains is usually adequate for the purposes of this rule. However, adequate pressure may vary depending on each individual water system and

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customers' circumstances. In the case of a dispute, the Commission will determine the appropriate water pressure for the water utility.

Rule 40: Pressure Surveys (OAR 860-036-0320)

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

Rule 41: Customer-Requested Pressure Test (OAR 860-036-0320)

Upon customer request, the Utility will perform a water pressure test within 20 working days of the request. The first pressure test in any 12-month period shall be at no charge. If the customer requests more than one pressure test within any 12-month period, a deposit to recover the reasonable cost of the additional test may be required of the customer. The deposit shall be returned if the pressure test indicates less than 20 psi. The customer or designated representative has the right to be present at the pressure test, and said test shall be conducted at a mutually agreeable time. For metered service, the pressure will be tested at a point adjacent to the meter on the customer's service line.

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

Rule 42: Maps/Records (OAR 860-036-0335)

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

Rule 43: Utility Line Location (One Call Program) (OAR 860-036-0345)

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

Rule 44: Cross Connection/Backflow Prevention Program

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

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