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**TO: PUBLIC UTILITY COMMISSION OF OREGON
PO BOX 2148
SALEM OR 97308-2148**

FROM:

SALMON VALLEY WATER COMPANY INC
PO BOX 205
WELCHES OR 97067
503-622-4083

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

)
In the Matter of Tariffs for Water Service
in the State of Oregon filed by) BRIEF
SALMON VALLEY WATER COMPANY, INC.)

Michael Bowman, owner and president of Salmon Valley Water Company, Inc., in accordance with Oregon Revised Statutes 757.205 and 757.220, herewith files tariff sheets designated as PUC Oregon No. 1, Original Tariff Sheets No. 1 through **No. 28** to become effective for service rendered on and after November 30, 2013 (**at least 30 days after PUC receives the filing**).

The purpose of this filing is to:

1) Establish rates resulting in total annual **revenues of \$339,307**. This is an increase to the utility's total annual **revenues from \$241,817 (after adjustments to \$339,307, resulting in a net increase \$97,492 or 34.29 percent.**

After deducting for operating expenses, the projected revenues will produce a **10.31 percent return on a rate base of \$312,641.**

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 December 31, 2012**.

(signature of utility owner or officer)

(date)

(printed name of owner or officer)

(title or position)

(legal name of utility)

Attachment

WATER UTILITY TESTIMONY

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

A.

Legal Name	Salmon Valley Water Company		
Business Address	24525 E Welches Road		
City, State, Zip	Welches, OR 97067		
Telephone Number	503-622-4083	Emergency Number	503.887.0997
Fax Number		Email Address	thesvwco@frontier.com

2. Q. WHO WILL BE REPRESENTING THE UTILITY IN THIS RATE FILING? PROVIDE THE FOLLOWING INFORMATION IF DIFFERENT FROM QUESTION #1.

A.

Name	Michael Bowman		
Title	President, Manager		
Address	8257 SW Kingfisher Way		
City, State, Zip	Portland, OR 97224		
Telephone Number	503.887.0991	Emergency Number	
Fax Number		Email Address	bowman.michael@frontier.com

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

A.

Operator Name	Lon Goff		
Address	PO Box 1170		
City, State, Zip	Welches, OR 97067		
Telephone #	503.622.4083	E-Mail Address	thesvwco@frontier.com
Certified Operator	Certification Level 2	Registration Number D-6438	

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

A. The utility's accountant or bookkeeper is:

Name	Delap LLP		
Address	8558 Meadows Road No. 200		
City, State, Zip	Lake Oswego, OR 97035		
Telephone Number	503.697.4118		
E-Mail Address	tnelson@delapcpa.com		

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

A. The utility owners are:

Name	JoAnn Bowman		
Address	2545 Roanoke Street		
City, State, Zip	Woodburn, OR 97071		
Telephone Number	503.981.9035		

Name	Joyce Sewell		
Address	3242 SW 43rd		
City, State, Zip	Redmond, OR 97756		
Telephone Number	541.923.4055		

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	Michael Bowman		
Title	President and Chairman of the Board		
Address	8257 SW Kingfisher Way		
City, State, Zip	Portland, OR 97224		
# of Hours Worked	40	Annual Salary	\$ 72,000

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Phone Number	503.887.0991		
E-Mail Address	bowman.michael@frontier.com		

Name	JoAnn Bowman		
Title	Secretary		
Address	2545 Roanoke Street		
City, State, Zip	Woodburn, OR 97071		
Hours Worked	0	Annual Salary	0
Phone Number	503.981.9035		
E-Mail Address	N/A		

Name	Joyce Sewell		
Title	VP		
Address	3242 SW 43 rd		
City, State, Zip	Redmond, OR 97756		
Hours Worked	0	Annual Salary	0
Phone Number	541.923.4055		
E-Mail Address	N/A		

Name			
Title			
Address			
City, State, Zip			
Hours Worked		Annual Salary	\$
Phone Number			
E-Mail Address			

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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: President and manager. Oversee day to day operations, provide customer service, system planning, cash management, bookkeeper, and compliance monitoring

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 small business consulting (2-3 hours a week)

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	
Address	
City, State, Zip	
Telephone Number	
E-Mail Address	

SUMMARY OF THE UTILITY'S PROPOSED RATE REQUEST

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

A. The utility's most recent calendar year revenues are \$244759 (after adjustments). The utility seeks a rate:
 increase of \$97,492 or 34.29% in current annual revenues, resulting in total annual revenues of \$339,307.

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

A. The utility is seeking this change in rates because of sustained operating losses and the need to generate positive cash flows to cover operations and to make deferred repairs and maintenance.

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

A. The test period the utility selected is January 1, 2012 to December 31, 2012.

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

A. The utility rate base is \$312,641.

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

A. The utility is seeking a 10.31 % rate of return on a rate base

GENERAL UTILITY INFORMATION

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

A. The water utility was legally organized on 6/68, under the laws of the State of Oregon as a:
 Proprietorship Partnership Corporation LLC Other: _____

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

A. The system was originally constructed in 1962, began providing service on 1962.

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

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

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

A. **No**, oral or written contracts **exist** between the utility and its owners and affiliated interests.
 Yes, PUC approved contracts exist between the utility and its owners and affiliated interests. Approval found in PUC Order No. _____.
 Yes, oral or written contracts do exist, but have not been approved by PUC

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

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

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 2 full-time and 0 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
Michael Bowman	Manager	Cust Service, bookkeeping, planning, Cash Mtg	40	6,000
Lon Goff	Cert Operator	R&m, testing, cust service	40	4,583
				\$
				\$
				\$
				\$
				\$
TOTAL				\$

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

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

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

OPERATING REVENUES

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

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

Acct #	OPERATING REVENUE	Test Year \$	Proposed Adjustments \$	Proposed Results (A + B = C) \$
460	Unmetered Water Sales	\$		
461.1	Metered Residential Water Sales	\$173,200	\$69,827	\$243,027
461.2	Metered Commercial/Industrial Water Sales	\$68,617	\$27,663	\$96,280
461.4	Metered Sales to Public Authorities	\$	\$	\$
461.5	Metered Sales to Multiple Family Dwellings	\$	\$	\$
461.6	Metered Sales to Multiple Commercial Unit/Bldg	\$	\$	\$
461.7	Sales to Water Hauling Services	\$	\$	\$
462	Fire Protection Sales Revenue	\$	\$	\$
464	Special Contract Water Sales to Public Authorities	\$2442	\$(2442)	\$0
465	Irrigation Water Sales	\$	\$	\$
466	Water Sales for Resale	\$	\$	\$
467	Golf Course Revenue	\$	\$	\$
468	Special Contract Revenue	\$	\$	\$
	Other	\$	\$	\$
TOTAL REVENUE including gross up for taxes		\$241,8173	\$97,492	\$339,307

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

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

DESCRIPTION OF REVENUE OTHER THAN WATER SALES	ANNUAL AMOUNT
Miscellaneous Fees (i.e. late fees, disconnections, field visits, etc.)	\$ 2,442
Backflow Prevention Device Services (if offered)	\$
Rents from Water Property Acct 472	\$
TOTAL	\$ 2,442

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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	\$ 61000	\$ 1830	\$ 62830
603	Salaries & Wages – Officers, Directors, Majority Stockholders	\$ 72000	\$ 2160	\$ 74160
604	Employee Pensions and Benefits	\$ 22989	\$ 1839	\$ 24828
610	Purchased Water	\$	\$	\$
611	Telephone/Communications	\$ 5728	\$	\$ 5728
615	Purchased Power	\$ 16682	\$ 834	\$ 17516
616	Fuel for Power Production	\$	\$	\$
617	Utility Services (garbage, gas)	\$	\$	\$
618	Chemicals/Treatment Expense	\$ 979	\$ 500	\$ 1479
619	Office Supplies	\$ 575	\$ 21	\$ 731
619.1	Postage	\$ 2131	\$ 200	\$ 2331
620	Materials/Supplies (O&M)	\$ 710	\$ 21	\$ 731
621	Repairs to Water Plant	\$ 5332	\$ 2575	\$ 7907
631	Contractual Services – Engineering	\$	\$	\$
632	Contractual Services – Accounting	\$ 8454	\$ 1500	\$ 9954
633	Contractual Services – Legal	\$	\$ 25002500	\$
634	Contractual Services – Mgmt Fees	\$	\$	\$
635	Contractual Services – Testing	\$ 5137	\$ 154	\$ 5291
636	Contractual Services – Labor	\$	\$	\$
637	Contractual Services – Billing/Collect	\$	\$	\$
641	Rental of Building/Real Property	\$ 8844	\$	\$ 8844
642	Rental of Equipment	\$ 1060	\$	\$ 1060
643	Small Tools	\$	\$	\$

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Acct #	OPERATING EXPENSES	Test Year \$	Proposed Adjustments \$	Proposed Results (A + B = C) \$
648	Computer/Electronic Expense	\$	\$ 500	\$ 500
650	Transportation Expense	\$ 2101	\$ 3050	\$ 5151
656	Insurance – Vehicle	\$	\$	\$
657	Insurance – General Liability	\$ 12121	\$ 750	\$ 12871
658	Insurance – Workers’ Compensation	\$ 726	\$	\$ 726
659	Insurance – Other	\$	\$	\$
660	Public Relations/Advertising Expense	\$	\$	\$
666	Amortization of Rate Case Expense	\$1100	\$	\$1100
667	Gross Revenue Fee	\$ 650	\$ 224	\$ 894
671	Cross Connection Control Program	\$ 1358	\$ 500	\$ 1858
670	Bad Debt Expense	\$	\$ 750	\$ 750
673	Training and Certification Expense	\$ 450	\$	\$ 450
674	Consumer Confidence Report	\$ 497	\$	\$ 497
675	Miscellaneous Expenses (Itemize on Separate Schedule)	\$ 12548	\$1,742	\$ 14,290
401	TOTAL OPERATING EXPENSES	\$ 243,172	\$	\$ 267,371

OTHER REVENUE DEDUCTIONS

Acct #	CONTINUED	Test Year	Proposed Adjustments	Proposed Results (A + B = C)
403	Depreciation Expense	\$12,350	\$	\$ 12,530
408.11	Property Tax	\$ 9,752	\$ 9752	\$ 9,752
408.12	Payroll Tax	\$ 12,506	\$ 137	\$ 12,643
408.13	Other Non-Income Tax	\$ 500		\$ 500
409.10	Federal Income Tax	\$	\$	\$ 1,368
409.11	Oregon Income Tax	\$	\$	\$ 2,905
409.13	Extraordinary Items Income Tax	\$	\$	\$
TOTAL REVENUE DEDUCTIONS			\$	\$ 307,070

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29. Q PROVIDE LINE ITEMS COMPONENTS OF MISCELLANEOUS EXPENSE, ACCOUNT 675.

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

DESCRIPTION OF MISCELLANEOUS EXPENSES	ANNUAL COST
Industry Dues and Memberships	120
Bank Charges	972
Answering Service	1212
Software support	450
Electronics	682
Misc.	127
Office supplies	851
License & permits	668
Equipment purchases	872
Freight	244
Locating services	35
Tank cleaning	4130
Supplies	1606
Garbage	414
Staff life insurance	414
TOTAL	\$ 12,548

UTILITY CURRENT RATES AND SCHEDULES

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

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

CURRENT RATES FOR RESIDENTIAL 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 checked="" type="checkbox"/> M <input type="checkbox"/> F	\$18.11	400	<input checked="" type="checkbox"/> CF	\$0.99 Per 100 cf
Resort Villas	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$12.07	400	<input checked="" type="checkbox"/> CF	\$0.99 Per 100 cf
Condos	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	12.07	400	<input checked="" type="checkbox"/> CF	\$2.27 Per 100 cf
Nonmetered	Flat Rate	\$22.98			none

CURRENT RATES FOR METERED COMMERCIAL SERVICE

Line or Meter Size	Check One	Current Commercial Monthly Base or Flat Rate	Commercial Consumption Included in Base		Current Commercial Monthly Commodity/Usage Rate	
3/4"	3/4 Commercial	\$30.18	0	<input checked="" type="checkbox"/> CF		Per 100 cubic feet
3/4"	3/4 School Fountain	\$0.00	0	<input checked="" type="checkbox"/> CF		Per 100 cubic feet
1"	1" Women's Club	\$54.18	0	<input checked="" type="checkbox"/> CF		Per 100 cubic feet
1"	1" Resort Housekeeping	\$0.00	0	<input checked="" type="checkbox"/> CF		Per 100 cubic feet
1"	1" WW Clubhouse Pool	\$42.25	0	<input checked="" type="checkbox"/> CF		Per 100 cubic feet
1"	1" WW Irrigation	\$0.00	0	<input checked="" type="checkbox"/> CF		Per 100 cubic feet
1"	1" Resort Pool/Clubhouse	\$12.07	0	<input checked="" type="checkbox"/> CF		Per 100 cubic feet
1"	1" Medical	\$36.22	0	<input checked="" type="checkbox"/> CF		Per 100 cubic feet
1"	1" Restaurants	\$60.36	0	<input checked="" type="checkbox"/> CF		Per 100 cubic feet
1"	1" School Irrigation	\$0.00	0	<input checked="" type="checkbox"/> CF		Per 100 cubic feet
	1.5" - Laundromat	\$301.80	0	<input checked="" type="checkbox"/> CF		Per 100 cubic feet
	1.5" - Hoodland Park (SC)	\$245.97	0	<input checked="" type="checkbox"/> CF		Per 100 cubic feet
	1.5" - RFPD	\$60.36	0	<input checked="" type="checkbox"/> CF		Per 100 cubic feet
	1.5" - School	\$0.00	0	<input checked="" type="checkbox"/> CF		Per 100 cubic feet

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	1.5" - Resort Greenskeeping	\$0.00	0	<input checked="" type="checkbox"/> CF		Per 100 cubic feet
	2" - Resort Spa	\$0.00	0	<input checked="" type="checkbox"/> CF		Per 100 cubic feet
	2" - School	\$531.17		<input checked="" type="checkbox"/> CF		Per 100 cubic feet
	2" - Resort	\$1,622.27	0	<input checked="" type="checkbox"/> CF		Per 100 cubic feet

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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
	\$
	\$
	\$
	\$

31. Q. PLEASE PROVIDE THE FOLLOWING FOR EACH CUSTOMER CLASS FOR THE MOST RECENT COMPLETED CALENDAR YEAR OF 2012.

(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 Consumption	Cubic Feet or Gal
Residential		527	4,059,275	<input checked="" type="checkbox"/> CF
Resort Villas		11	691,748	<input checked="" type="checkbox"/> CF
¾" Stores/Offices/Church		23	173,847	<input checked="" type="checkbox"/> CF
¾" School Fountain		1	Unknown	<input checked="" type="checkbox"/> CF
WW1		70	All condos 2,374,346	<input checked="" type="checkbox"/> CF
WW2		32	Included in condos	<input checked="" type="checkbox"/> CF

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Cabins		9	Included in condos	<input checked="" type="checkbox"/> CF
Clear Hills		22	Included in condos	<input checked="" type="checkbox"/> CF
Shadow Hawk		22	Included in condos	<input checked="" type="checkbox"/> CF
Fairway		42	Included in condos	<input checked="" type="checkbox"/> CF
Zigzag		16	Included in condos	<input checked="" type="checkbox"/> CF
Mt Hood Vlg		12	Included in condos	<input checked="" type="checkbox"/> CF
Hoodcourse Acres		69	Included in condos	<input checked="" type="checkbox"/> CF
Alberg		3	Included in condos	<input checked="" type="checkbox"/> CF
Welches Mtn Prop		20	Included in condos	<input checked="" type="checkbox"/> CF
1" Women's Club		1	12,921	<input checked="" type="checkbox"/> CF
1" Resort Housekeeping		2	414,971	<input checked="" type="checkbox"/> CF
1" WW Clubhouse Pool		1	77,122	<input checked="" type="checkbox"/> CF
1" WW Irrigation		2	17,352	<input checked="" type="checkbox"/> CF
1" Resort Pool/Clubhouse		1	17,352	<input checked="" type="checkbox"/> CF
1" Medical		2	8,169	<input checked="" type="checkbox"/> CF
1" Restaurants		8	60,469	<input checked="" type="checkbox"/> CF
1" School Irrigation		1	20,700	<input checked="" type="checkbox"/> CF
1" Whispering Woods Spa		1	154,057	<input checked="" type="checkbox"/> CF
1.5" - Laundromat		1	18,884	<input checked="" type="checkbox"/> CF
1.5" - Hoodland Park (SC)		1	121,227	<input checked="" type="checkbox"/> CF
1.5" - RFPD		1	7,559	<input checked="" type="checkbox"/> CF
1.5" - School		2	114,485	<input checked="" type="checkbox"/> CF
1.5" - Resort Greenskeeping		11	386,148	<input checked="" type="checkbox"/> CF

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2" - Resort Spa		2	12,962	<input checked="" type="checkbox"/> CF
2" - School		1	23,668	<input checked="" type="checkbox"/> CF
2" - Resort		1	179,868	<input checked="" type="checkbox"/> CF
Non-metered		2		none
				<input checked="" type="checkbox"/> CF
TOTAL		910	8,984,060*	<input checked="" type="checkbox"/> CF

***Salmon Valley is proposing using an average consumption of 8,036,319 cubic feet for 2012 consumption in the rate case. The number represents an average of two years of actual consumption adjusted for a 9% water loss to account for leaks.**

UTILITY PROPOSED RATES AND SCHEDULES

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

A. The utility is proposing the following rate structure:

PROPOSED RATES FOR RESIDENTIAL SERVICE

Line or Meter Size	Check One	Proposed Residential Monthly Base or Flat Rate	Residential Consumption Included in Base Rate		Proposed Residential Monthly Commodity/Usage Rate
3/4" or 5/8"	<input checked="" type="checkbox"/> M	\$21.59	0	<input checked="" type="checkbox"/> CF	\$1.27 Per 100 cf
Resort Villas	<input checked="" type="checkbox"/> M	\$21.59	0	<input checked="" type="checkbox"/> CF	\$1.27 Per 100 cf
Condos	<input checked="" type="checkbox"/> M	\$16.72	0	<input checked="" type="checkbox"/> CF	\$1.27 Per 100 cf
Nonmetered	Flat Rate	\$26.64		<input checked="" type="checkbox"/> CF	none

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PROPOSED RATES FOR METERED COMMERCIAL SERVICE

Line or Meter Size	Check One	Current Commercial Monthly Base or Flat Rate	Commercial Consumption Included in Base		Proposed Commercial Monthly Commodity/Usage Rate	
¾"	¾ Commercial	\$26.66	0	<input checked="" type="checkbox"/> CF	\$1.27	Per 100 cubic feet
¾"	¾ School Fountain	\$26.66	0	<input checked="" type="checkbox"/> CF	\$1.27	Per 100 cubic feet
1"	1" Women's Club	\$53.99	0	<input checked="" type="checkbox"/> CF	\$1.27	Per 100 cubic feet
1"	1" Resort Housekeeping	\$53.99	0	<input checked="" type="checkbox"/> CF	\$1.27	Per 100 cubic feet
1"	1" WW Clubhouse Pool	\$53.99	0	<input checked="" type="checkbox"/> CF	\$1.27	Per 100 cubic feet
1"	1" WW Irrigation	\$53.99	0	<input checked="" type="checkbox"/> CF	\$1.27	Per 100 cubic feet
1"	1" Resort Pool/Clubhouse	\$53.99	0	<input checked="" type="checkbox"/> CF	\$1.27	Per 100 cubic feet
1"	1" Medical	\$53.99	0	<input checked="" type="checkbox"/> CF	\$1.27	Per 100 cubic feet
1"	1" Restaurants	\$53.99	0	<input checked="" type="checkbox"/> CF	\$1.27	Per 100 cubic feet
1"	1" School Irrigation	\$53.99	0	<input checked="" type="checkbox"/> CF	\$1.27	Per 100 cubic feet
1 ½"	1.5" - Laundromat	\$91.13	0	<input checked="" type="checkbox"/> CF	\$1.27	Per 100 cubic feet
1 ½"	1.5" - Hoodland Park (SC)	\$90.56	0	<input checked="" type="checkbox"/> CF	\$1.27	Per 100 cubic feet
1 ½"	1.5" - RFPD	\$90.56	0	<input checked="" type="checkbox"/> CF	\$1.27	Per 100 cubic feet
1 ½"	1.5" - School	\$90.56	0	<input checked="" type="checkbox"/> CF	\$1.27	Per 100 cubic feet
1 ½"	1.5" - Resort Greenskeeping	\$90.56	0	<input checked="" type="checkbox"/> CF	\$1.27	Per 100 cubic feet
2"	2" - Resort Spa	\$174.15	0	<input checked="" type="checkbox"/> CF	\$1.27	Per 100 cubic feet
2"	2" - School	\$174.15	0	<input checked="" type="checkbox"/> CF	\$1.27	Per 100 cubic feet
2"	2" - Resort	\$174.15	0	<input checked="" type="checkbox"/> CF	\$1.27	Per 100 cubic feet

33. Q. IF THE UTILITY'S RATE PROPOSAL WERE ADOPTED, PROVIDE THE FOLLOWING 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.)

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

Customer Class	PROPOSED Number of Customers	PROPOSED Average Monthly Bill	PROPOSED Average Monthly Consumption	PROPOSED Total Annual Revenue
Residential 5/8” - 3/4”	527+11	\$ 31.11	751	\$197,486
Condos	317	\$ 24.62	624	\$ 93,654
Non Metered	2	\$ 26.64	unknown	\$
3/4" Other	24	\$ 34.64	630	\$ 14,549
1" Commercial”	19	\$ varies	varies	\$ 15,420
1 1/2" Commercial”	18	\$ varies	varies	\$ 10,607
2" Commercial	3	\$ varies	varies	\$ 4,779
TOTAL	910	\$		\$ 336,495

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
		\$	
		\$	
		\$	
		\$	
		\$	

Advice No. _____
 (FOR PUC USE ONLY)

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
Rebuild River Bluff Park north pump house	15,000	9/1/2014
	\$	
	\$	
	\$	
	\$	

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

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

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

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

- A. Utility plant is shown below:

Acct No.	Account Description	Date Acquired	Utility Plant Orig Cost
Acct No.	Account Description	Date Acquired	Utility Plant Orig Cost
301	Organization		
302	Franchises		
303	Land and Land Rights		
	Utility Land	Jun 1980	3,000

Advice No. _____
 (FOR PUC USE ONLY)

304	Structures and Improvements		
	Pump House	Sep 1985	723
	Service Vault	Apr 1986	207
	Blacktop (Ziggy's)	Jan 1990	320
	Fence	Jun 1991	777
	Metal Shed	Jul 1992	809
	Fence	Jul 1995	700
	Shed	Jun 1996	2,000
	Fence	Jun 1996	2,953
	Pump House	Jul 1997	3,516
	Road	Jul 1997	19,624
	Telemetry Shed	Jul 1997	2,558
	Building System	Oct 2005	7,500
CWIP	Pump House Rebuild	Sep 2013	12,000
			41,687
305	Collecting and Impounding		
306	Lake, River and Other Intakes		
307	Wells and Springs		
	System (Barlow Trail)	May 1979	9,454
	System (Rippling River)	Jun 1979	152,112
	System (Ferndale)	Dec 1979	48,188
	System (Hoodland)	Dec 1979	20,870
	Rutledge Well	Jun 1996	12,910
	Rutledge Well	Jul 1997	972
	Company Depreciation - 50 years		
			244,506
308	Infiltration Galleries and Tunnels		
309	Supply Main		

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	Excavation	Jul 1994	5,798
	Engineering	Jul 1994	2,600
	Excavation	Jul 1995	388
	Pipe Fittings	Jun 1996	4,526
	Company Depreciation - 36 years		
	13,311		
310	Power Generation Equipment		
311	Pumping Equipment		
	Pump Submersible	Dec 1983	5,865
	Pump RBP #1	Jul 1987	3,437
	Well - RBP #3	Feb 1987	7,235
	Reservoir Pumps	Sep 1991	57,194
	Pump - Salmon River	May 1991	6,661
	Pump (River Bluff)	Jul 1996	1,925
	Engineering (SRR)	Jul 1993	700
	RBP Electrical	Jul 1993	1,324
	Plumbing	Jul 1994	100
	Booster Pump	Jul 1995	2,875
	Lift Pump #3	Jul 1995	4,578
	Transducer	Jun 1996	932
	Pump	Sep 2005	10,572
	103,398		
320	Water Treatment Equipment		
330	Distribution Reservoir and Standpipes		
	Tank	Jun 1996	33,623
	Tank - Current shows - \$156,671 (Use	Jul 1997	122,900
	Engineering	Jul 1997	17,117
	Water Storage Tank	Sep 1998	90,218

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	Company Depreciation - 44 years		
	263,858		
331	Transmission and Distribution		
	System Extension	Jul 1969	775
	System Extension	Jul 1971	1,270
	System Extension	Jul 1974	3,956
	System Extension	Mar 1979	1,619
	System (Welches School)	Sep 1979	7,796
	System Engineering	Dec 1980	2,372
	System Engineering - CIAC -	Jun 1981	0
	System Engineering	Jul 1981	66,636
	System (Welches School)	Aug 1981	21,411
	System Extension	Jul 1984	2,311
	System Extension	Jul 1985	1,320
	System Hook-up (CIAC - \$150)	Mar 1986	0
	New Connection (CIAC - \$458)	Aug 1986	0
	Engineering	Dec 1986	10,665
	Serviceline Trailer	Nov 1990	5,575
	System Extension (Allen) - CIAC -	May 1991	0
	System Extension (Rislone) - CIAC - \$4,400	Sep 1991	0
	Extension (Redding)	Jul 1993	5,776
	Line Extension (Ziggy's) - (From 311	Jul 1989	0
	Pipe (HWY 26) - (From 311)	Dec 1987	4,347
	Company Depreciation - 64 years		
	135,830		
333	Services		
334	Meters		
	Meter Installation	Sep 1983	681
	Meters	Jul 1995	11,657

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 (FOR PUC USE ONLY)

	Meters	Jun 1996	7,390
	Company Depreciation - 62 years		
	19,728		
335	Hydrants		
	Hydrant	May 1985	665
	Hydrant	Jul 1993	995
	Hydrant (ARRAH)	Jul 1994	2,802
	Hydrants	Jul 1997	1,565
	Company Depreciation - 45 years		
	6,026		
336	Cross Connection Control (utility		
339	Other Plant		
340	Office Furniture and Equipment		
	Misc. Office Furniture	Jul 1993	3,324
	Company Depreciation - 16 years		
341	Transportation Equipment		
	1994 Chevy Truck	Jan 1998	2,500
	Ford truck	May 2001	16,066
	Company Depreciation - 5 years		
	18,566		
343	Tools, Shop, and Garage Equipment		
344	Laboratory Equipment		

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 (FOR PUC USE ONLY)

345	Power Operated Equipment		
346	Communication Equipment		
347	Electronic/Computer Equipment		
	Copy Machine	Jul 1995	2,100
	Computer	Jan 2001	1,057
	Lexmark Laser Printer	Dec 2003	899
	Computer	Sep 2006	1,030
	Software - (From 311)	Jul 1994	1,770
	Printers - (From 311)	Jul 1995	652
	Computer	Nov 2009	695
	Company Depreciation - 16 years		
		11,527	
348	Miscellaneous Equipment		
TOTALS			873,436

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)	\$ 873,436	\$	\$ 873,436
SUBTRACT Accumulated Depreciation of Utility Plant In Service	\$ 583,061	\$	\$ 585,061
SUBTRACT Accumulated Amortization of Utility Plant In Service	\$	\$	\$
SUBTRACT Advances For Construction	\$	\$	\$
SUB TOTAL	\$ 290,375	\$	\$ 290,375

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ADD Plant Material & Supplies Inventory	\$	\$	\$
ADD Working Cash (1/12 total operating expense)	\$ 20,264	\$ 1,996+5	\$ 22,266
TOTAL	\$ 310,639	\$ 1,996+5	\$ 312,641

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

- A. No, the utility does not have a master meter at its water supply source.
 Yes, the utility has a master meter at its water supply source. The total amount of water pumped during the last calendar year was 65,629,366 gallons or cubic feet.

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

- A. Water Right Information: G-11335, G-11422, G-11534.

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

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

WELLS & WELL PUMPS						
IDENTIFY EACH SEPARATELY						
	WELL NO. 1	WELL NO. 2	WELL NO. 3	WELL NO. 4	WELL NO. 5	WELL NO. 6
WELL NAME OR IDENTIFYING NO.	SALMON RIVER ROAD	RIVER BLUFF PARK #1	RIVER BLUFF PARK #2	ROUTLEDGE ROAD		
YEAR CONSTRUCTED	1961	1972	1987	1996		
WATER RIGHT PERMIT OR CERTIFICATION NUMBER	G-11335	G-11422	G-11422	G-11534		
HYDRAULICALLY CONNECTED TO SURFACE WATER (YES OR NO)	No	No	No	No		
WELL DEPTH	165'	100'	121'	100'		
WELL DIAMETER	10"	8"	6"	8"		
PUMPING CAPACITY – GPM	80	100	57	130		
PUMP MOTOR – HP	15	5	3.5	15		
YIELDS OF WELL IN GPD	49,565	65,220	51,059	58,575		
AUXILIARY POWER	No	No	No	No		
WELL CONSTRUCTION	STEEL	STEEL	STEEL	STEEL		

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 (FOR PUC USE ONLY)

CASING	STEEL	STEEL	STEEL	STEEL		
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SOURCE OF SUPPLY OTHER THAN WELLS					
IDENTIFY EACH SEPARATELY					
	SOURCE	SOURCE	SOURCE	SOURCE	SOURCE
NAME OR IDENTIFYING NO.					
TYPE OF SOURCE					
TREATMENT TYPE					
NUMBER OF INTAKES					
FISH SCREENING DEVICES					
WATER RIGHT PERMIT OR CERTIFICATION NUMBER					
WATER YIELD OF SOURCE REPORT GALLONS PER DAY (GPD)					

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

A. Pumping System: _____.

Pump Type & Pump HP	Average Daily Demand	Annual Peak Demand	Maximum Pumping Capacity	Range of Pressure at Pump	Range of Pressure at Customers’ Property
Line shaft turbine 15HP	116,279	163,824	150 GPM	80-90 PSI	35-130 Psi
Submersible 15 HP	Combined with above	Combined with above	180 GPM	80-90PSI	35-130PSI
Submersible 15 HP	49,565	80,628	80 GPM	60-90 PSI	35-130 PSI
Submersible 15 HP	58,570	126,200	130 GPM	100-130 PSI	35-130 PSI

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

A.

Advice No. _____
 (FOR PUC USE ONLY)

STORAGE TANKS/RESERVOIRS					
IDENTIFY EACH SEPARATELY					
NAME OR IDENTIFYING NUMBER	DESCRIPTION I.E.: STEEL, CONCRETE PNEUMATIC	TANK CAPACITY	GROUND OR ELEVATED	DATE INSTALLED	PRESENT CONDITION
HUNCHBACK MT	STEEL	348,000	ELEVATED	98	IN USE, GOOD
RIVER BLUFF PARK	CONCRETE	125,000	GROUND	91	IN USE, GOOD

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

A. No treatments

WATER TREATMENT FACILITIES				
NAME OR IDENTIFYING NO.	TYPE	MAKE	GALLONS PER DAY CAPACITY	METHOD OF MEASUREMENT

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

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

RULE NUMBER	PROPOSED CHANGE

Advice No. _____
 (FOR PUC USE ONLY)

SERVICE QUALITY

46. Q. PLEASE DESCRIBE THE TYPE AND NUMBER OF SERVICE PROBLEMS AND CUSTOMER COMPLAINTS THE UTILITY HAS EXPERIENCED IN THE LAST YEAR. DESCRIBE ANY ACTION TAKEN BY THE UTILITY TO RESOLVE THE PROBLEMS.

- A. **No**, the Utility has not experienced any service problems or customer complaints in the last year.
- Yes**, the Utility has experienced service problems and/or customer complaints as listed below and has taken the following steps to correct or improve them: **Service interruptions due to leaks and repairs, complaints on estimating usage due to snowfall**

47. Q. DOES THE UTILITY HAVE ANY CURRENT SERVICE PROBLEMS THAT IT PROPOSES TO CORRECT OR IMPROVE IN THE NEXT CALENDAR YEAR?

- A. **No**, the utility does not have any service problems that it proposes to correct/improve during the next calendar year.
- Yes**, the utility has service problems that it proposes to correct or improve during the next calendar year as described below:

48. 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

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

- 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.

50. Q. DOES THE UTILITY HAVE ANY FIRE HYDRANTS? IF YES, PLEASE LIST HOW MANY, HOW MANY FEET APART ARE THEY, AND THE UTILITY'S HYDRANT MAINTENANCE SCHEDULE (INCLUDING EXERCISING VALVES). WHAT IS THE UTILITY'S FIRE INSURANCE RATING?

- A. **No**, the utility does not have any fire hydrants.
- Yes**, the utility does have fire hydrants. There are 70 number of hydrants located (varies) feet apart. The utility's fire insurance rating is 6/8B.

51. 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.

- A. Yes, the utility is current in all its DWP requirements.
 No, the utility is not current all its DWP requirements. It has not complied with _____

52. Q. IF YOU HAVE FEWER THAN 200 TOTAL CUSTOMERS, PLEASE ATTACH A CURRENT AND COMPLETE CUSTOMER MAILING LIST. INCLUDE EACH CUSTOMER'S NAME AND MAILING ADDRESS.

- A. I have over 200 customers.
 I have fewer than 200 customers and have attached a customer mailing list.

53. Q. WOULD YOU LIKE TO TESTIFY REGARDING OTHER ISSUES?

- A. No.
 Yes, I would like to testify additionally regarding the following:
Attach pages with additional testimony.

54. Q. DOES THIS CONCLUDE YOUR TESTIMONY?

- A. Yes.

CUSTOMER NOTICE

ANNOUNCEMENT OF PROPOSED CHANGES TO WATER SERVICE RATE TARIFFS FILED WITH THE PUC

DATE: November 25, 2013

SALMON VALLEY WATER COMPANY, INC., submitted a general rate filing to the Commission on NOVEMBER 25, 2013. We are seeking to increase our annual revenues by \$97,492 above the \$244,759 (after adjustments) collected in 2012. The purpose of this announcement is to provide you with general information regarding the proposed rates and the effect the filing may have on you.

We anticipate the increase will change average monthly water service rates as follows:

Line Size	Current Monthly Base Rate	Proposed Monthly Base Rate
3/4"-Residential*	\$18.11	\$21.59
3/4" Multiple Family	\$12.07	\$16.72
3/4"- Commercial	\$30.18	\$26.66
1" Commercial	\$54.18	\$53.99
1 1/2"- Commercial	\$60.36	\$90.56
2"-Commercial	\$531.17	\$199.13

1. SALMON VALLEY WATER COMPANY, INC., is seeking the above increase in rates to cover operating losses, make system improvements and repairs:
2. Copies of the utility's application, testimony, and exhibits are available at: 24525 E Welches Road, Welches, OR 97067. Telephone 503.622.4083
3. SALMON VALLEY WATER COMPANY, INC., can provide additional information about the rate filing.
If you are interested please contact: Lon Goff at 503.622.4083 or at 24525 E Welches Road, Welches, OR 97067
4. To request to receive notices of the time and place of hearings on the matter, contact the Public Utility Commission of Oregon at 1-800-522-2404; TTY 711, or mail request to:

PUBLIC UTILITY COMMISSION OF OREGON
ADMINISTRATIVE HEARINGS DIVISION
PO BOX 2148
SALEM OR 97308-2148

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

SALMON VALLEY WATER COMPANY INC

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

NAMING RATES FOR

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

503-622-4083

Serving water in the vicinity of
Welches, Oregon

Issue Date / Filing Date		Effective for Service on or after	October 31, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

Advice No. _____
(FOR PUC USE ONLY)

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Issue Date / Filing Date		Effective for Service on or after	October 31, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

Advice No. _____
 (FOR PUC USE ONLY)

SALMON VALLEY WATER COMPANY INC

**SCHEDULE NO. 1
RESIDENTIAL METERED RATES**

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

Applicable: To residential customers.

Base Rate

CUSTOMERS	MONTHLY BASE RATE	USAGE ALLOWANCE
5/8 by 3/4 inch	\$21.59	0
Resort Villa	\$21.59	0

Commodity Usage Rate

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$1.27	Per unit	1 unit = 100 cubic feet

Special Provisions:

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

Issue Date / Filing Date		Effective for Service on or after	October 31, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

Advice No. _____
(FOR PUC USE ONLY)

SCHEDULE NO. 2
5/8" BY 3/4" COMMERCIAL METERED RATES

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

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

Base Rate

CUSTOMERS	MONTHLY BASE RATE	USAGE ALLOWANCE
3/4" Stores/Offices, Church	\$26.66	0
3/4" School Fountain	\$26.66	0

Commodity Usage Rate

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$1.27	Per unit	1 unit = 100 cubic feet

Special Provisions:

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

Issue Date / Filing Date		Effective for Service on or after	October 31, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

Advice No. _____
 (FOR PUC USE ONLY)

**SCHEDULE NO. 3
 CONDOMINIUM METERED RATES**

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

Applicable: To condominium customers.

Base Rate

RESORT	MONTHLY BASE RATE	USAGE ALLOWANCE
Whispering Winds 1 & 2	\$16.72	0
Clear Hills	\$16.72	0
Shadow Hawk	\$16.72	0
Fairway	\$16.72	0
Zigzag	\$16.72	0
Mt. Hood Village	\$16.72	0
Alberg	\$16.72	0
Welches Mtn Properties	\$16.72	0
Cabins	\$16.72	0
Other Condos	\$16.72	0

Commodity Usage Rate

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$1.27	Per Unit	1 unit = 100 cubic ft

Special Provisions:

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

Issue Date / Filing Date		Effective for Service on or after	October 31, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

Advice No. _____
 (FOR PUC USE ONLY)

SALMON VALLEY WATER COMPANY INC

**SCHEDULE NO. 4
1" COMMERCIAL METERED RATES**

Available: To 1" line commercial customers of the Utility at Welches, Oregon, and vicinity.

Applicable: To 1" line commercial customers.

Base Rate

CUSTOMERS	MONTHLY BASE RATE	USAGE ALLOWANCE
1" Women's Club	\$53.99	0
1" Resort Housekeeping	\$53.99	0
1" WW Clubhouse Pool	\$53.99	0
1" WW Irrigation	\$53.99	0
1" Resort Pool/Clubhouse	\$53.99	0
1" Medical	\$53.99	0
1" Restaurants	\$53.99	0
1" School Irrigation	\$53.99	0
1" Whispering Woods Spa	\$53.99	0
1" Other	\$53.99	0

Commodity Usage Rate

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$1.27	Per Unit	1 unit = 100 cubic ft

Special Provisions:

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

Issue Date / Filing Date		Effective for Service on or after	October 31, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

Advice No. _____
(FOR PUC USE ONLY)

SCHEDULE NO. 5
1 1/2" COMMERCIAL METERED RATES

Available: To 1 1/2 " line commercial customers of the Utility at Welches, Oregon, and vicinity.

Applicable: To 1 1/2" line commercial customers.

Base Rate

CUSTOMERS	MONTHLY BASE RATE	USAGE ALLOWANCE
1 1/2" - Laundromat	\$90.56	0
1 1/2" - Hoodland Park (SC)	\$90.56	0
1 1/2" - RFPD	\$90.56	0
1 1/2" - School	\$90.56	0
1 1/2" - Other	\$90.56	0

Commodity Usage Rate

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$1.27	Per Unit	1 unit = 100 cubic ft

Special Provisions:

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

Issue Date / Filing Date		Effective for Service on or after	October 31, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

Advice No. _____
 (FOR PUC USE ONLY)

SCHEDULE NO. 6
2" COMMERCIAL METERED RATES

Available: To 2" line commercial customers of the Utility at Welches, Oregon, and vicinity.

Applicable: To 2" line commercial customers.

Base Rate

CUSTOMER	MONTHLY BASE RATE	USAGE ALLOWANCE
2" - Resort Spa	\$174.15	0
2" - School	\$174.15	0
2" - Resort	\$174.15	0
2" - Other	\$174.15	

Commodity Usage Rate

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$1.27	Per Unit	1 unit = 100 cubic ft

Special Provisions:

3. 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.
4. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.

Issue Date / Filing Date		Effective for Service on or after	October 31, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

Advice No. _____
 (FOR PUC USE ONLY)

**SCHEDULE NO. 7
 METERED RATES
 FOR FUTURE USE**

Available: To 1" line commercial customers of the Utility at Welches, Oregon, and vicinity.

Applicable: To 1" line commercial customers.

Base Rate

	MONTHLY BASE RATE	USAGE ALLOWANCE
		0
		0
		0
		0
		0

Commodity Usage Rate

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$0.00	Per Unit	1 unit = 100 cubic ft

Special Provisions:

5. 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.

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

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**SCHEDULE NO. 8
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	\$25

Pressure Test (Rule No. 42)

First test within 12-month period	N/C
Second test within 12-month period	\$25

Late-Payment Charge (Rule No. 22)

Pursuant to OAR 860-036-0130
(as of 1/1/13 – 1.8%)

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

Pursuant to OAR 860-036-0040(2) Pursuant to OAR 860-036-0050
(as of 1/1/13 – 0.2%)

Returned-Check Charge (Rule No. 23)

\$20

Trouble-Call Charge (Rule No. 38)

During normal office hours	\$25 per hour
After normal office hours on special request	\$35 per hour

Disconnection/Reconnect Charge (Rule Nos. 30 & 31)

During normal office hours	\$25
After normal office hours on special request	\$35

Unauthorized Restoration of Service (Rule No. 32)

Reconnection charge plus costs

Damage/Tampering Charge (Rule No. 36)

At cost

Disconnect Field-Visit Charge (Rule No. 31)

\$20

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RULES AND REGULATIONS

Rule 1: Jurisdiction of the Commission

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

Rule 2 Definitions

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

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APPLICATION FOR SERVICE

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

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

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

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

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

An application for service must be made where:

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

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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 the following method (OAR 860-036-0050 and 0055):

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

Rule 6: Customer Service Line

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

Rule 7: Separate Control of Service

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

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

The service connection is that portion of the water system between the Utility’s main line and the customer’s property line, including all material and installation (hot tap, pipes, fittings, meter, etc.) necessary to provide water service to the customer. The Utility shall own, operate, maintain, and replace the service connection when necessary and promptly repair all breaks and leaks. The customer shall not be responsible for any damage or poor service due to inadequacy of the Utility’s service lines or any portion of the Utility’s plumbing.

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

Rule 9: Service Connection Charge

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

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

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

Rule 11: Main Line Advances and Refunds Policy

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

For a period of 10 years after construction of the requested main line extension, the Utility shall also collect from any additional applicants whose connect to the main line extension an amount per foot equal to the new applicant’s proportionate share of the main line extension cost for that portion used. The Utility will then refund the share differential amount to those customers who previously shared the cost of said main line extension. Refunds shall not exceed the amount originally advanced.

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

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Rule 12: Types of Use

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

Rule 13: Multiple Residences/Commercial Users

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

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

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

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

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

REFUSAL OF SERVICE

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

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

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

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

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

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

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

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

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

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

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

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

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

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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 **15 days (at least 15 day requirement)** when rendered by deposit in the mail or other reasonable means of delivery, unless otherwise specified on the bill. The date of presentation is the date on which the Utility mails the bill.

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

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

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

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

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

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

Rule 23: Returned Payment Charge

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

Rule 24: Prorating of Bills

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

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

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

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

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

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

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

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

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

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

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

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

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DISCONNECTION OF WATER SERVICE

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

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

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

Rule 29: Emergency Disconnection (OAR 860-036-0215)

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

Rule 30: Disconnection of Water Service Charge for Cause (OAR 860-036-0205 and 0245)

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

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

Prior to disconnection on the day that the Utility intends to disconnect service, the Utility must make a good-faith effort to physically contact the customer to be disconnected or an adult at the customer's premise to be disconnected to advise the customer or adult of the proposed disconnection. If contact is not made, the Utility shall leave a notice in a conspicuous place at the customer's premise

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informing the customer that service has been or is about to be disconnected. The Utility shall document its efforts to contact the customer or an adult at the premises and make that documentation available to the customer upon request.

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

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

Disconnection for Failure to Comply With a Time Payment Agreement

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

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

Disconnection Charge

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

Reconnection Charge

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

Field Visit Charge

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

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

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Rule 32: Unauthorized Restoration of Service

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

Rule 33: Unauthorized Use

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

Rule 34: Interruption of Service (OAR 860-036-0075)

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

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

Rule 35: Water Supply/Usage Restrictions (OAR 860-036-0325)

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

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

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Rule 36: Damages/Tampering

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

SERVICE QUALITY

Rule 37: System Maintenance (OAR 860-036-0305)

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

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

Rule 38: Trouble Call

The trouble-call charge listed on the Miscellaneous Service Charges Schedule may be billed whenever a customer requests that the Utility visit the customer’s premises to remedy a service problem and the problem is due to the customer’s facilities.

Rule 39: Water Purity (OAR 860-036-0310)

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

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

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

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

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

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

Rule 41 Pressure Surveys (OAR 860-036-0320)

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

Rule 42 Customer-Requested Pressure Test (OAR 860-036-0320)

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

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

Rule 43: Maps/Records (OAR 860-036-0335)

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

Rule 44: Utility Line Location (One Call Program) (OAR 860-036-0345)

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

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Rule 45: Cross Connection/Backflow Prevention Program

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

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