

ORDER NO. 12 340

ENTERED SEP 07 2012

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UW 151

In the Matter of

CHARBONNEAU WATER
COMPANY, LLC,

ORDER

Request for a General Rate Revision.

DISPOSITION: STIPULATION ADOPTED

I. INTRODUCTION

Charbonneau Water Company LLC (CWC or company) was formed in May 2008 as a subsidiary of Charbonneau Golf Course, Inc. CWC's purpose is to provide nonpotable, irrigation water to 15 customers, including 11 homeowner associations with a total of 833 homeowners; Charbonneau Village, consisting of commercial businesses; Illahee, an apartment complex; the Charbonneau Country Club; and the Charbonneau Golf Course.

In 2009, CWC petitioned the Commission requesting rate regulation. The Commission asserted jurisdiction and opened a rate case, docket UW 136, and, in Order No. 10-061, we adopted the parties' stipulation setting a revenue requirement of \$283,547, with net income of \$75,788 at a rate of return of 8.9 percent on a rate base of \$851,552. In this docket, CWC requests a revision of the rates adopted in Order No. 10-061.

II. PROCEDURAL HISTORY

CWC filed this request for a general rate revision on March 26, 2012. The Commission held an open house and a prehearing conference on April 30, 2012 in Wilsonville, Oregon. At the prehearing conference, an Administrative Law Judge adopted a procedural schedule. On July 23, 2012, Commission Staff filed a stipulated motion to suspend the procedural schedule, notifying the Commission that the parties would file an all-party stipulation resolving all contested issues in the docket. On August 3, 2012, the parties filed their stipulation, with supporting testimony by Commission Staff. The stipulation is attached as Appendix A to this order.

III. STIPULATION

The parties support and recommend that we adopt a 31.3 percent increase over adjusted test year revenues, resulting in a total revenue requirement of \$276,363. The parties support that, based on adjusted test year expenses, CWC should have a reasonable opportunity to earn a 7.68 percent return on a rate base of \$787,559, resulting in a net income of \$60,465. The parties support a commodity rate of \$1.85 per 748 gallons of water. The company agrees to provide the Commission with regular meter readings and usage estimates, and agrees to install Construction Work In Progress items which have been included in the rate base within 12 months of the tariff's effective date. Finally, the parties agree to revise the tariff schedule to reflect that CWC will not bill the golf course for usage derived from the parties' updated "bleed" calculation for billing periods during which the golf course did not irrigate.

Staff's testimony provides further information regarding the parties' stipulation. Staff notes that CWC requests a rate increase because billed water usage has been significantly below the amount assumed in the company's last rate case. The reduction in usage is due primarily to wetter than normal weather, conservation efforts by customers, and an adjustment for billings that were previously incorrectly attributed to usage by the golf course. The company also states it is facing increased costs for maintenance, repairs, and other related cost increases.

IV. DISCUSSION

The Commission encourages parties to a proceeding to voluntarily resolve issues to the extent that settlement is in the public interest. The active parties to this docket entered into a stipulation that resolves all outstanding issues. No party has filed an objection to the stipulation.

The Commission has examined the stipulation and the supporting testimony and exhibits of Staff. The Commission concludes that the stipulation is an appropriate resolution of all the pending issues in this docket. The Commission adopts the stipulation in its entirety.

V. ORDER

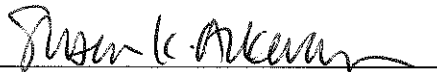
IT IS ORDERED that:

1. The stipulation, attached as Appendix A, between the Public Utility Commission of Oregon Staff; Charbonneau Water Company, LLC; Arbor Lake Townhome Association; and Charbonneau Country Club¹ is adopted.

¹ Two different representatives of Charbonneau Country Club are identified in the stipulation: Susan Stevens is identified as a representative, while Gene Pronovost signed the stipulation. Both Ms. Stevens and Mr. Pronovost represented Charbonneau Country Club in these proceedings.

2. Advice No. 12-3, filed on March 26, 2012, is permanently suspended.
3. Charbonneau Water Company, LLC, is directed to file new tariff sheets consistent with the terms of this order, to be effective for service on and after October 1, 2012.

Made, entered, and effective SEP 07 2012.



Susan K. Ackerman
Chair

COMMISSIONER SAVAGE WAS
UNAVAILABLE FOR SIGNATURE

John Savage
Commissioner



Stephen M. Bloom
Commissioner



A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UW 151

In the Matter of)
 CHARBONNEAU WATER COMPANY LLC) STIPULATION
 Proposed Tariffs for Irrigation Water Service.)

Charbonneau Water Company, LLC (CWC or Company), appearing by and through its General Manager, Alan Arsenault; Interveners Richard Miller and Susan Stevens; and the Public Utility Commission of Oregon (Commission) Staff (Staff) appearing by and through its attorney, Jason W. Jones, Assistant Attorney General, enter into this Stipulation and resolution of all issues between them.

1.

The Parties support entering into evidence, without requiring any Party to lay a foundation for its admission, Staff's written testimony and exhibits marked as Staff/100, Andrus/1 through 20, Staff/101, and Staff/102, Andrus/1 through 6, as well as Attachments A (revenue requirement) and B (tariffs) to this stipulation.

2.

The Parties support and recommend the Commission adopt a 31.3 percent increase over adjusted test year revenues,¹ resulting in a total revenue requirement of \$276,363. The Company's application, filed on March 26, 2012, requested total

¹ In the application, CWC stated test year revenues as \$212,641; however, Staff's analysis using the Company's actual meter readings and year-end adjustments resulted in revenue of \$210,404. The 31.3 percent increase applies to the adjusted test year revenues.

annual revenues of \$275,420. However, the Parties agree that the proposed rates applied to test year usage results in revenues of \$276,363. The Parties support that based on adjusted test year expenses, the Company should have a reasonable opportunity to earn a 7.68 percent return on a rate base of \$787,559 resulting in a net income of \$60,465. The stipulated Revenue Requirement is included as Attachment A.

3.

The Parties support a commodity rate of \$1.85 per unit (one unit equals 748 gallons of water), and the base rates are shown below:

<u>Meter Size</u>	1"	1.5"	2"	3"	6"
<u>Base Rates</u>	\$29.33	\$58.65	\$93.84	\$175.95	\$586.51

These rates are set forth in the tariff sheet designated PUC Oregon No. 2, Original Sheet No. 3, Schedule No. 1. The Company's tariffs and rules are included as Attachment B.

4.

The Parties support the Miscellaneous Services Charges as set forth in the tariff sheet designated as PUC Oregon No. 2, Original Sheet No. 4, Schedule No. 2.

5.

The Company agrees it will provide Commission Staff with: 1) monthly meter readings and total units billed to the homeowner associations; 2) meter readings from the new fountain meter measuring the amount of recirculating "bleed;" 3) estimate of usage associated with flushing the filters prior to the HOA meters, and, 4) golf course units billed for a period of 12-months after the new rates are in effect.

1 Such meter readings shall be provided to Staff no later than thirty days after the date
2 of the reading.

3 6.

4 The Parties agree that contingent on the Golf Course timely providing an
5 attestation to Staff that the Golf Course was not irrigating during the billing period, the
6 Company will not bill the Golf Course for any usage derived from the updated "bleed"
7 calculation after the fountain meter is installed (vault meter minus homeowner
8 association meters minus the fountain meter minus the estimated usage for the flush
9 filter units) in months when the golf course is not irrigating and is therefore not using
10 water. The tariff schedule is revised to reflect this arrangement.

11 7.

12 The Company agrees that Construction Work In Progress (CWIP) items which
13 have been included in rate base are to be installed within 12 months of the tariff
14 effective date.

15 8.

16 The Parties support the Commission approving the stipulated tariffs to be
17 effective for service on and after October 1, 2012.

18 9.

19 By entering into this Stipulation, no Party shall be deemed to have approved,
20 accepted, or consented to the facts, principles, methods, or theories employed by any
21 other Party in arriving at the agreed revenue requirement, rate spread, and design.

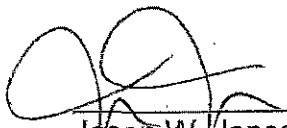
10.

The Parties recommend that the Commission adopt this stipulation in its entirety. The Parties have negotiated this stipulation as an integrated document. Accordingly, if the Commission rejects all or any material portion of this stipulation, each Party reserves the right, upon written notice to the Commission and all Parties to this proceeding within 15 days of the date of the Commission's order, to withdraw from the stipulation and request an opportunity for the presentation of additional evidence and argument.

11.

The Parties understand that this stipulation is not binding on the Commission in ruling on this application and does not foreclose the Commission from addressing other issues.

Respectfully submitted,

ELLEN F. ROSENBLUM
Attorney General
Jason W. Jones, # 00059 8/1/12
Assistant Attorney General Date
Of Attorneys for PUC Staff


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 7/30/2012
Dick Schultze Date
President
Charbonneau Water Company LLC

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 7/31/12
Richard Miller Date
Arbor Lake Townhome Association

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Gene Pronovost Date
Charbonneau Country Club

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Dick Schultze Date
President
Charbonneau Water Company LLC

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Richard Miller Date
Arbor Lake Townhome Association


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 7-31-12
Gene Pronovost Date
Charbonneau Country Club

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Charbonneau Water Co. LLC

DOCKET NO. UW 151

Test Year: Apr 1, 2011 - Mar 31, 2012

Company Case

29.5%

Staff

31.3%

Above adjusted current rates

Acct. No.	REVENUES	Test Year Per Application Amended with EOY Actuals Test Year: Apr 1, 2011 - Mar 31, 2012	Company Proposed Adjustments	Company Adjusted Results (A+B=C)	Staff Proposed Adjustments	Staff Adjusted Results (A+D=E)	Staff Proposed Rev Changes	Staff Proposed Results (E+F=G)
465	Irrigation - HOA's	212,755	62,665	275,420	(2,351)	210,404	65,959	276,363
462	Irrigation - Golf Course							
	TOTAL REVENUE	212,755	62,665	275,420	(2,351)	210,404	65,959	276,363
	OPERATING EXPENSES							
601	Salaries and Wages - Employees	47,582	13,444	61,026	6,045	53,627		53,627
604	Employee Pension & Benefits	5,256	1,184	6,440	532	5,788		5,788
611	Telephone/Communications	1,170	29	1,199	29	1,199		1,199
615	Purchased Power	22,942	100	23,042	344	23,286		23,286
616	Chemical / Treatment Expense	1,982	282	2,264	282	2,264		2,264
619	Office Supplies	720	288	1,008	72	792		792
619.1	Postage	1,200	100	1,300	100	1,300		1,300
620	O&M Materials/Supplies	2,196	16,000	18,196	(569)	1,627		1,627
621	Repairs/Maintenance	2,252	900	3,152	1,706	3,958		3,958
632	Contract Svcs - Accounting	4,544	0	4,544	0	4,544		4,544
633	Contract Svcs - Legal	164	250	414	250	414		414
637	Contract Svcs - Billing/Collection	6,180	200	6,380	200	6,380		6,380
641	Rental of Building/Real Property	7,680	300	7,980	2,147	9,827		9,827
648	Computer/Electronic Expenses	420	60	480	60	480		480
650	Transportation	720	200	920	924	1,644		1,644
656	Vehicle Insurance	660	10	670	10	670		670
657	General Liability Insurance	2,740	60	2,800	60	2,800		2,800
658	Workers' Comp Insurance	1,429	100	1,529	100	1,529		1,529
666	Amortiz. of Rate Case		100	100	100	100		100
667	Gross Revenue Fee (PUC)	532	157	689	(6)	526	165	691
675	Misc Exp (was "General Expense")	187	0	187	0	187		187
	TOTAL OPERATING EXPENSE	110,556	33,764	144,320	12,387	122,943	165	123,108
	OTHER REVENUE DEDUCTIONS							
403	Depreciation Expense		31,746	31,746	31,050	31,050		31,050
407	Amortization Expense			0	0	0		0
408.11	Property Tax (taxes other than income)	22,561	2,788	25,349	(6,904)	15,657		15,657
408.12	Payroll Tax			0	6,952	6,952		6,952
409.11	Oregon Income Tax		2,688	2,688	2,231	2,231	4,342	6,952
409.10	Federal Income Tax		5,705	5,705	11,050	11,050	21,508	32,558
	TOTAL REVENUE DEDUCTIONS	133,117	76,691	209,808	56,766	189,883	26,016	215,899
	NET OPERATING INCOME	79,638	(14,026)	65,612	(59,117)	20,521	39,944	60,465
101	Utility Plant in Service	1,347,867		1,347,867	(6,992)	1,340,875		1,340,875
	Less:							
108.1	Depreciation Reserve	582,159	30,862	613,021	(801)	581,358		581,358
271	Contributions in Aid of Const			0	0	0		0
272	Amortization of CIAC			0	0	0		0
281	Accumulated Deferred Income Tax			0	0	0		0
	Net Utility Plant	765,708	(30,862)	734,846	(6,191)	759,517	0	759,517
	Plus: (working capital)			734,846	(6,191)	759,517		
151	Materials and Supplies Inventory	17,796	0	17,796	0	17,796		17,796
	Working Cash	9,213	2,814	12,027	1,032	10,245		10,245
	TOTAL RATE BASE	792,717		792,717	(5,158)	787,559		787,559
	Rate of Return	10.05%		8.28%		2.61%		7.68%
								60,465

Containing Rules and Regulations
Governing Water Utility Service

Naming Rates For

Charbonneau Water Company LLC
32020 S. W. Charbonneau Drive
Wilsonville, Oregon 97070

1-503-694-1246 ext. 1

Serving water in the vicinity of
Wilsonville, Oregon

Issue Date / Filing Date | Effective for Service on or after | October 1, 2012

Issued By Utility | CHARBONNEAU WATER COMPANY LLC

Advice No. _____
(FOR PUC USE ONLY)

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Issue Date / Filing Date

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CHARBONNEAU WATER COMPANY LLC

Advice No. _____
(FOR PUC USE ONLY)

SCHEDULE NO. 1**COMMERCIAL IRRIGATION METERED RATES**Available: To customers of the Utility at Wilsonville, Oregon, and vicinity.Applicable: To commercial irrigation customers.**Base Rate**

SERVICE METER SIZE	MONTHLY BASE RATE	USAGE ALLOWANCE	UNIT OF MEASURE
5/8 inch or 3/4 inch	n/a	0	748 gallons
1 inch	\$29.33	0	748 gallons
1½ inches	\$58.65	0	748 gallons
2 inches	\$93.84	0	748 gallons
3 inches	\$175.95	0	748 gallons
6 inches	\$586.51	0	748 gallons

Commodity Usage Rate

COMMODITY RATE	UNIT OF MEASURE
\$1.85	per 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. 27, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.
3. Golf Course usage shall be calculated by subtracting other customer metered usage, fountain meter quantity, and estimated usage for the flush filter units from total system water pumped. The Company will not bill the Golf Course for any usage resulting from this calculation in months when an attestation is provided stating that no irrigation occurred during that month.

Issue Date / Filing Date

Effective for Service on or after

October 1, 2012

Issued By Utility

CHARBONNEAU WATER COMPANY LLC

Advice No. _____
(FOR PUC USE ONLY)

1. 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%)

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-Visit Charge (Rule No. 30)

n/a

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RULES AND REGULATIONS**Rule 1:** Jurisdiction of the Commission

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

Rule 2: Definitions

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

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;
- F. Rights and Responsibilities Summary for Oregon Utility Consumers;
- G. Notices in foreign languages, if applicable;
- H. The utility's business address, telephone number, and emergency telephone number; and
- I. Notices approved by the Commission.

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

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 water utility service and shall not be accepted until the applicant establishes credit as set forth in OAR 860-036-0040.

An application for water service must be made where:

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

Issue Date / Filing Date

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(FOR PUC USE ONLY)

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 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 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.

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

Issue Date / Filing Date

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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.

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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)

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))

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

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

METERS

Rule 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.

BILLINGRule 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.

All water service bills shall show:

- A. Beginning and ending meter readings for the billing period;

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- 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.

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

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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.

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.

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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)

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-

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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 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.

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.

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.

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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.

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.

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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 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

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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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