

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UW 163

In the Matter of

STORLIE WATER COMPANY, INC.,

Request for a General Rate Revision.

ORDER

DISPOSITION: STIPULATION ADOPTED

**I. INTRODUCTION**

Storlie Water Company, Inc. (Storlie) filed an application for a general rate revision on May 14, 2015. The company proposed an overall increase of 41 percent, or \$8,684, over test period revenues of \$21,166, resulting in an overall revenue requirement of \$29,851. Storlie requested a 10 percent rate of return on its rate base of \$12,938.

A public comment hearing and prehearing conference were held on July 9, 2015. Two customers attended. No petitions to intervene were filed.

A settlement conference was held on September 17, 2015. No customers attended.

On November 25, 2015, Storlie and the Commission Staff filed a stipulation with supporting testimony of Staff. Their stipulation settles all issues in this proceeding. The stipulation is attached to this decision as Appendix A. The stipulation and testimony are received into evidence.

In their stipulation, the parties agree to an increase of 36.7 percent or \$7,766, resulting in a test year revenue requirement of \$28,932. The parties also stipulated to a 10 percent rate of return on a rate base of \$13,133.

**II. BACKGROUND**

Storlie currently serves 17 customers, nearly all of whom receive both residential and irrigation water service, in Bend, Oregon. The utility was constructed in 1975 and began providing service in 1977.

This is Storlie's first rate case. Although Storlie began providing service in 1977, it did not become rate-regulated by the Commission until March 2015, at which time we asserted jurisdiction under ORS 757.061.<sup>1</sup> That statute allows customers to seek rate regulation once a utility proposes to raise its average monthly rate above threshold levels. The company has not increased its rates since March 2003.<sup>2</sup>

Storlie provides residential service with water pumped from its domestic well. Residential water is metered and customers pay a base rate each month as well as a variable rate for each 100 cubic feet of water used. Storlie reads meters twice per year and charges residential customers monthly, based on average consumption. Following meter readings, the residential bills are adjusted to reflect actual consumption over the previous six-month period.

Irrigation water is purchased from the Central Oregon Irrigation District (COID) and is available to customers from April through October. COID charges the company an annual base fee for irrigation water as well as various other annual fees applicable to each of Storlie's irrigation customers. Storlie collects the fees from its customers annually, in addition to charging a year-round monthly rate for pumping the irrigation water.

### **III. STIPULATION**

#### **A. Customer Concerns**

One customer expressed concerns regarding the amount of the proposed rate increase and water quality due to the chlorination of the residential water after a positive coliform test. The customer felt that Storlie did not give its customers sufficient notice before the chlorination. Staff addressed the first issue by explaining the ratemaking process. Staff discussed the second issue with the company, which stated that it will mail notices more quickly in response to future events. Coliform has been eliminated from the system and the water quality returned to its usual state.

#### **B. Ratemaking Issues**

Staff made both upward and downward adjustments to Storlie's proposed expenses. Staff's primary adjustments were related to the reallocation and recalculation of the labor costs attributable to the company's management. Staff evaluated the reasonableness of the labor costs based on the hours of work per month and comparable pay rates in the area for similar work.

Regarding rate base, Staff updated Storlie's plant-in-service and its depreciation schedule, resulting in a slight increase in rate base. The parties agreed to a 10 percent rate of return. The company has no debt.

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<sup>1</sup> See Order No. 15-082 (Mar 17, 2015).

<sup>2</sup> See Staff/100, Yamada/8.

**C. Late Payment Charge**

In its application, Storlie requested a waiver of OAR 860-036-0130 (Late-Payment Charge) and proposed to set its late payment charge at \$10.<sup>3</sup> In Staff's view, the company was unable to demonstrate a cost basis for its proposed \$10 charge. Current rules allow the company to disconnect customers for nonpayment and to assess a fee for reconnection. The stipulation does not provide for the late payment charge.

**D. Revenue Allocation**

Staff found a discrepancy in the allocation of the revenue requirement between residential water (43 percent) and irrigation (57 percent) relative to the cost allocation between the two services (48 percent residential, 52 percent irrigation). However, Staff was concerned about rate shock for the residential customers if the relative allocations were realigned immediately (61 percent increase for residential customers, 20 percent increase for irrigation customers). In their stipulation, the parties agreed to use the 43/57 residential/irrigation allocation, resulting in a 51 percent increase for residential and a 27 percent increase for irrigation. In future cases, the parties agreed that progress should be made toward allocating the revenue requirement consistently with the distribution of costs.

**E. Rate Design**

Of the \$16,455 irrigation revenue requirement, \$3,009 will be collected through annual fees and the remaining \$13,446 will be collected through monthly irrigation bills.

Annual fees are reduced to reflect actual costs billed to Storlie by COID. COID charges a base fee of \$1,850 annually for irrigation water, which has been divided equally among irrigation customers, resulting in an annual fee per customer of \$115.63. Additionally, COID charges Storlie an annual Operations and Maintenance fee per customer, based on the customer's acreage. Customers now will be billed the exact amount charged to Storlie by COID for their individual properties. Each customer also will be billed for the new \$25 annual "Habitat Fee" which COID implemented beginning in 2015.

For residential customers, the only annual fee is for backflow testing. That fee is being reduced from \$50 to the actual cost, which is \$15.

The overall reduction to annual fees requires a larger percentage of revenue to be collected through monthly bills than previously, contributing to the increase in monthly bills.

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<sup>3</sup> OAR 860-036-0130 requires rate-regulated water utilities to use a Commission determined rate for assessing a charge on overdue balances. The current Commission-determined rate is 1.8 percent per month.

Staff found that about 72 percent of Storlie's costs are fixed and about 28 percent are variable. For irrigation rates, Staff used that split to allocate revenues collected through monthly bills, consisting of a fixed base fee plus an additional rate charged per acre of irrigated land.

For residential service, Staff allocated 75 percent of the revenues to the base rate and only 25 percent to the variable rate, setting the variable rate at \$3.00 per 100 cubic feet, up from \$0.95 per 100 cubic feet, mitigating the rate shock for those residential customers with heavier usage.

#### **F. Meter Reading**

The parties agree that Storlie will continue with its practice of reading meters two times per year – April and October. Monthly meter readings would require Storlie to hire an outside contractor and increase its revenue requirement accordingly.

### **IV. DISCUSSION**

As reflected in Staff's testimony, the first rate case for any water utility often requires that Staff reallocate expenses to conform to the Commission's accounting practices, before evaluating the reasonableness of the expenses. In this case we also have the unusual aspect of the two services – domestic water and irrigation.

Staff's testimony presents a thorough analysis of Storlie's accounting and a fair allocation of the costs between residential service and irrigation. While the percentage increase appears to be large, this is the company's first increase since 2003, making the increase seem moderate. The stipulation is reasonable and is adopted.

### **V. ORDER**

IT IS ORDERED that:

1. Advice No. 15-17 filed by Storlie Water Company, Inc., is permanently suspended.
2. The stipulation between Storlie Water Company, Inc., and the Staff of the Public Utility Commission of Oregon, attached as Appendix A, is adopted.

3. Storlie Water Company, Inc., shall file tariff sheets consistent with this order with an effective date of January 1, 2016.

Made, entered, and effective DEC 18 2015.



**Susan K. Ackerman**  
Chair



**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 163

In the Matter of )  
Storlie Water Company, Inc. ) STIPULATION  
Application for General Rate Increase )

Storlie Water Company, Inc. (Storlie or Company), appearing by and through its President, Terry Storlie; and the Public Utility Commission of Oregon Staff (Staff) appearing by and through its attorney, Jason W. Jones, Assistant Attorney General; hereafter collectively referred to as the Parties, enter into this Stipulation in resolution of all issues in the case.

1.

The Parties support entering into evidence, without requiring any Party to lay a foundation for its admission, this Stipulation and Attachment A (revenue requirement) and Attachment B (tariffs) and Staff's written testimony and exhibits marked as Staff/100, Yamada/1-20, Staff/101, Yamada/1, and Staff/102, Yamada/1-14.

2.

The Parties support and recommend that the Commission adopt a 10 percent rate of return and a revenue requirement of \$28,932, representing a 36.7 percent increase over test year revenues. The stipulated revenue requirement is included as Attachment A to this Stipulation.

1 3.

2 The Parties agree to and support the stipulated rates, fees, and rules and  
3 regulations contained in Attachment B to this Stipulation, Storlie's tariff sheets  
4 designated as PUC Oregon No. 1, Original Sheets Nos. 1 through 24.

5 4.

6 The Parties agree to and support the rates being effective for service  
7 rendered on and after January 1, 2016.

8 5.

9 By entering into this Stipulation, no Party shall be deemed to have  
10 approved, accepted, or consented to the facts, principles, methods, or theories  
11 employed by any other Party in arriving to this Stipulation.

12 6.

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

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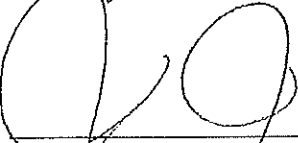
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7.

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.

DATED this 18th day of November 2015.

Respectfully submitted,  
ELLEN ROSENBLUM  
Attorney General



Jason W. Jones, #00059  
Assistant Attorney General  
Attorney for PUC Staff



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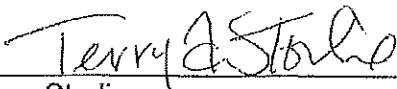
DATED this 18<sup>th</sup> day of November 2015.

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Terry Storlie  
President  
Storlie Water Company, Inc.

Storlie Water Company
Docket # UW 163
Test Year: 2014

Company Proposed Increase:	41%
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Staff Proposed Increase:	37%
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## Revenue Requirement

Revenue Requirement		A	B	C	D	E	F	G	H
		Company	Company	Company A+B=C	Staff	Staff C+D=E	Staff	Staff 40%	Total C+G=H
Acct No.	REVENUES	Balance per Application	Proposed Company Adjustments	Proposed Company Totals	Staff Adjustments	Adjusted Results	Revenue Adjustments	Total PUC Adjustments	PUC Proposed Results
460	Unmetered Water Sales	\$ 5,184	\$ 3,710	\$ 8,903	\$ -	\$ 8,903	\$ (8,903)	\$ (8,903)	\$ -
461.1	Residential Water Sales	\$ 2,008	\$ 1,513	\$ 4,121	\$ -	\$ 4,121	\$ 7,886	\$ 7,886	\$ 12,007
461.2	Commercial Water Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
462	Fire Protection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
464	Water Sales to Public Authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
466	Sales for Resale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
465	Irrigation	\$ 8,524	\$ 2,782	\$ 11,306	\$ -	\$ 11,306	\$ 5,149	\$ 5,149	\$ 16,455
467	Golf Course	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
468	Special Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
471	Miscellaneous Revenues	\$ 4,000	\$ 560	\$ 4,560	\$ -	\$ 4,560	\$ (4,360)	\$ (4,360)	\$ 200
472	Cell Tower/Rent from Util. Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
475	Cross Connection Control Revenue	\$ 850	\$ 110	\$ 960	\$ -	\$ 960	\$ (690)	\$ (690)	\$ 270
0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL REVENUE	\$ 21,166	\$ 8,694	\$ 29,860	\$ -	\$ 29,860	\$ (918)	\$ (918)	\$ 28,932
OPERATING EXPENSES									
601	Salaries and Wages - Employees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
603	Salaries and Wages - Officers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
604	Employee Pension & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
610	Purchased Water (COC)	\$ 2,732	\$ 73	\$ 2,805	\$ 252	\$ 3,057	\$ -	\$ 252	\$ 3,057
611	Telephone/Communications	\$ 434	\$ -	\$ 434	\$ 441	\$ 875	\$ -	\$ 441	\$ 875
615	Purchased Power	\$ 3,412	\$ -	\$ 3,412	\$ (103)	\$ 3,309	\$ -	\$ (103)	\$ 3,309
616	Fuel for Power Production	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
617	Other Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
618	Chemical / Treatment Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
619	Office Supplies	\$ 350	\$ -	\$ 350	\$ (150)	\$ 200	\$ -	\$ (150)	\$ 200
619.1	Postage	\$ 120	\$ -	\$ 120	\$ 21	\$ 141	\$ -	\$ 21	\$ 141
620	O&M Materials/Supplies	\$ 818	\$ 182	\$ 1,000	\$ (657)	\$ 343	\$ -	\$ (657)	\$ 343
621	Repairs to Water Plant	\$ 260	\$ -	\$ 266	\$ (26)	\$ 240	\$ -	\$ (26)	\$ 240
631	Contract Svcs - Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
632	Contract Svcs - Accounting	\$ 3,525	\$ 1,700	\$ 5,225	\$ (4,565)	\$ 660	\$ -	\$ (4,565)	\$ 660
633	Contract Svcs - Legal	\$ 310	\$ -	\$ 310	\$ (310)	\$ -	\$ -	\$ (310)	\$ -
634	Contract Svcs - Management Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
635	Contract Svcs - Testing	\$ 2,540	\$ (1,265)	\$ 1,275	\$ -	\$ 1,275	\$ -	\$ -	\$ 1,275
636	Contract Svcs - Labor	\$ 50	\$ -	\$ 50	\$ 13,760	\$ 13,800	\$ -	\$ 13,760	\$ 13,800
637	Contract Svcs - Billing/Collection	\$ 8,225	\$ 1,375	\$ 9,600	\$ (9,600)	\$ -	\$ -	\$ (9,600)	\$ -
638	Contract Svcs - Meter Reading	\$ 300	\$ -	\$ 300	\$ (189)	\$ 111	\$ -	\$ (189)	\$ 111
639	Contract Svcs - Other	\$ -	\$ -	\$ -	\$ 50	\$ 50	\$ -	\$ 50	\$ 50
641	Rental of Building/Real Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
642	Rental of Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
643	Small Tools	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
648	Computer/Electronic Expenses	\$ 400	\$ -	\$ 400	\$ (161)	\$ 239	\$ -	\$ (161)	\$ 239
650	Transportation	\$ -	\$ -	\$ -	\$ 104	\$ 104	\$ -	\$ 104	\$ 104
656	Vehicle Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
657	General Liability Insurance	\$ 1,350	\$ -	\$ 1,350	\$ -	\$ 1,350	\$ -	\$ -	\$ 1,350
658	Workers' Comp Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
659	Insurance - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
666	Amortz. of Rate Case	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Gross Revenue Fee (PUC)	\$ 61	\$ 24	\$ 75	\$ -	\$ -	\$ (2)	\$ (2)	\$ 72
670	Bad Debt Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
671	Cross Connection Control Program	\$ -	\$ -	\$ -	\$ 30	\$ 30	\$ -	\$ 30	\$ 30
673	Training and Certification	\$ 150	\$ -	\$ 150	\$ 258	\$ 406	\$ -	\$ 258	\$ 406
674	Consumer Confidence Report	\$ 150	\$ -	\$ 150	\$ (150)	\$ -	\$ -	\$ (150)	\$ -
675	Miscellaneous Expense	\$ 260	\$ -	\$ 260	\$ (80)	\$ 180	\$ -	\$ (80)	\$ 180
OE1	Other Expense 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OE2	Other Expense 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OE3	Other Expense 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OE4	Other Expense 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OE5	Other Expense 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL OPERATING EXPENSE	\$ 25,443	\$ 2,089	\$ 27,532	\$ (1,087)	\$ 26,370	\$ (2)	\$ (1,089)	\$ 26,442
OTHER REVENUE DEDUCTIONS									
	Depreciation Expense	\$ -	\$ 602	\$ 602	\$ 147	\$ 749	\$ -	\$ 147	\$ 749
408	Amort of Plant Acquisition Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
407	Amortization Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
408.11	Property Tax	\$ 87	\$ -	\$ 87	\$ (0)	\$ 87	\$ -	\$ (0)	\$ 87
408.12	Payroll Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
408.13	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
409.1	Federal Income Tax	\$ -	\$ 228	\$ 228	\$ -	\$ -	\$ 4	\$ 4	\$ 232
409.11	Oregon Income Tax	\$ -	\$ 108	\$ 108	\$ -	\$ -	\$ 1	\$ 1	\$ 109
409.13	Extraordinary Items Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL REVENUE DEDUCTIONS	\$ 25,630	\$ 3,027	\$ 28,557	\$ (940)	\$ 27,206	\$ 2	\$ (938)	\$ 27,619
	NET OPERATING INCOME	\$ (4,364)	\$ 5,667	\$ 1,293	\$ 940	\$ 2,644	\$ (920)	\$ 20	\$ 1,313
UTILITY RATE BASE									
	Utility Plant Invested by Company	\$ -	\$ 33,873	\$ 33,873	\$ 612	\$ 34,485	\$ -	\$ 612	\$ 34,485
271	+ Contributions in Aid of Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	- Excess Capacity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Equals: Total Utility Plant	\$ -	\$ 33,873	\$ 33,873	\$ 612	\$ 34,485	\$ -	\$ 612	\$ 34,485
	- Accum. Depreciation-Invested Plant	\$ -	\$ 23,229	\$ 23,229	\$ 327	\$ 23,556	\$ -	\$ 327	\$ 23,556
	- Accum. Depreciation-CIAC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
271	- Contributions in Aid of Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
281	- Accumulated Deferred Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
272	+ Accum. Amortization of CIAC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Equals: Net Invested Utility Plant	\$ -	\$ 10,644	\$ 10,644	\$ 285	\$ 10,929	\$ -	\$ 285	\$ 10,929
	Plus: (working capital)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
151	Materials and Supplies Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WkCASH	Working Cash (Total Op Exp /12)	\$ 2,120	\$ 172	\$ 2,292	\$ (88)	\$ 2,204	\$ -	\$ (88)	\$ 2,204
	TOTAL RATE BASE	\$ 2,120	\$ 10,816	\$ 12,936	\$ 197	\$ 13,133	\$ -	\$ 197	\$ 13,133
	Rate of Return	-205.84%		10.00%		20.13%			10.00%

PUC Oregon No. 1

STORLIE WATER COMPANY, INC.**Containing Rules and Regulations  
Governing Water Utility Service****NAMING RATES FOR**STORLIE WATER COMPANY, INC.63019 TERRY DRIVEBEND OR 97701541-788-7884541-382-0323Serving water in the vicinity of  
Bend, Oregon

Issue Date / Filing Date	1/1/16	Effective for Service on or after	1/1/16
Issued By The Utility	STORLIE WATER COMPANY, INC.		

Advice No. \_\_\_\_\_  
(FOR PUC USE ONLY)

PUC Oregon No. 1

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Issue Date / Filing Date	1/1/16	Effective for Service on or after	1/1/16
Issued By The Utility	STORLIE WATER COMPANY, INC.		

Advice No. \_\_\_\_\_  
(FOR PUC USE ONLY)

**STORLIE WATER COMPANY, INC.**

## SCHEDULE NO. 1

### RESIDENTIAL/DOMESTIC WATER METERED RATES

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

**Applicable:** To residential/domestic water customers.

#### BASE RATE

SERVICE	MONTHLY BASE RATE	USAGE ALLOWANCE INCLUDED
Residential/Domestic	41.38	None

#### COMMODITY USAGE RATE

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$3.00	Per Each 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	1/1/16	Effective for Service on or after	1/1/16
Issued By The Utility	STORLIE WATER COMPANY, INC.		

Advice No. \_\_\_\_\_  
(FOR PUC USE ONLY)

PUC Oregon No. 1

**STORLIE WATER COMPANY, INC.**

## SCHEDULE NO. 2

### IRRIGATION DELIVERY RATES

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

**Applicable:** To Irrigation Customers.

### MONTHLY BASE RATES

SERVICE	MONTHLY BASE RATE	USAGE ALLOWANCE INCLUDED
Standard Irrigation	\$50.08	None

### MONTHLY PER-ACRE RATE

ACREAGE RATE	NO. OF UNITS	MEASURING UNIT
\$12.47	Per Each Unit	1 Unit = 1 Acre

**Special Provisions:**

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 28, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.
3. Irrigation base and per-acre rates are billed monthly over a 12 month year.

Issue Date / Filing Date	1/1/16	Effective for Service on or after	1/1/16
Issued By The Utility	STORLIE WATER COMPANY, INC.		

Advice No. \_\_\_\_\_  
(FOR PUC USE ONLY)

**STORLIE WATER COMPANY, INC.**

### SCHEDULE NO. 3

### ANNUAL IRRIGATION FEES

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

**Applicable:** To Irrigation Customers.

#### ANNUAL IRRIGATION BASE FEE

Annual Irrigation Base Fee	\$115.63
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#### ANNUAL COID O&M FEE

1 acre or less	\$23.00
Between 1 and 2 acres	\$46.00
2 or more acres	\$92.00

#### ANNUAL COID HABITAT FEE

Annual COID Habitat Fee	\$25.00
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**Special Provisions:**

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid annual service fees. See Rule No. 28, Voluntary Discontinuance.

Issue Date / Filing Date	1/1/16	Effective for Service on or after	1/1/16
Issued By The Utility	STORLIE WATER COMPANY, INC.		

Advice No. \_\_\_\_\_  
(FOR PUC USE ONLY)

PUC Oregon No. 1  
**STORLIE WATER COMPANY, INC.****SCHEDULE NO. 5**  
**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	\$20

Pressure Test (Rule No. 42)

First test within 12-month period	N/C
Second test within 12-month period	\$20

Late-Payment Charge (Rule No. 22)Pursuant to OAR 860-036-0130  
(1.8% as of 1/1/16)Interest Rate on Deposit for Service (Rule No. 5)

Pursuant to OAR 860-036-0040(2)

Pursuant to OAR 860-036-0050  
(0.3% as of 1/1/16)Returned-Check Charge (Rule No. 23)

\$20

Trouble-Call Charge (Rule No. 38)

During normal office hours	\$35 per hour
After normal office hours on special request	\$45 per hour

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

During normal office hours	\$35
After normal office hours on special request	\$45

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)

\$25

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**STORLIE WATER COMPANY, INC.****SCHEDULE NO. 4****ANNUAL CROSS CONNECTION PREVENTION TESTING FEE**

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

**Applicable:** To residential/domestic customers.

**ANNUAL BACKFLOW PREVENTION DEVICE TESTING FEE**

Storlie Water Company will charge each customer requiring an annual backflow prevention device test an annual fee of :

Annual Backflow Prevention Device Test	\$15.00
----------------------------------------	---------

**Special Provisions:**

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid annual service fees. See Rule No. 28, Voluntary Discontinuance.

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PUC Oregon No. 1

**STORLIE WATER COMPANY, INC.****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. "The Utility" shall mean: STORLIE 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 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 house side of the premises served.
- I. "Customer line" shall mean the pipe, stops, and fittings leading from the house side of the meter 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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**STORLIE WATER COMPANY, INC.****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. The 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; 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 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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**STORLIE WATER COMPANY, INC.****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. 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 the Utility-owned shut off valve. For metered service, the customer service line begins on the customer's side of the meter or the 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,

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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.

- 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; or
- 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.

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**For a period of 7 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**

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: The 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 the 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 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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**STORLIE WATER COMPANY, INC.****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 residential customers or applicants who were disconnected for theft of service, the Utility shall provide service to the residential 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 residential water service. Residential service shall not be refused due to obligations connected with non-residential 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;

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- 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.

**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 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))

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**STORLIE WATER COMPANY, INC.****Rule 20: Meter Testing (OAR 860-036-0110)**

The meter shall be tested prior to or within 30 days of installation to determine if 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.

**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 12-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.

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**STORLIE WATER COMPANY, INC.****BILLING****Rule 22: Billing Information & Late-Payment Charge****(OAR 860-036-0120, OAR 860-036-0125, and OAR 860-036-0130)**

All bills, including closing bills, are due and payable at the Utility office within **20 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 on the 1<sup>st</sup> of April and on the 1<sup>st</sup> of October of each year. Meter readings will establish an estimate for each customer for billing over the subsequent 6 months. A true up of actual use will be performed at the next semi-annual meter reading.

Bills shall be rendered monthly according to actual or estimated usage. OAR 860-036-0120(3) requires water utilities to bill at monthly intervals. However, the 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;
- 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 30 days of the date the Utility mailed or delivered the bill. (OAR 860-036-0125 requires a minimum of 15 days.)**

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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 added on to 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 and 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 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.

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**STORLIE WATER COMPANY, INC.****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 the Utility identifies a balance a customer owes from the customer's prior account for Oregon service, the water the Utility shall have the option to transfer the amount to the customer's current account. The Utility will give the customer prior notice of the transfer, including:

- A. The amount due under the prior account;
- 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 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.

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

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

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Residential customers who are notified of pending disconnection may choose between two Time Payment Agreement options. The Utility will offer such customers a choice of a levelized-payment plan and an equal-pay arrearage plan. The 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 the 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 Utility may charge the reconnection fee stated in its tariff.

**Field Visit Charge:**

The Utility may assess a field visit charge whenever the Utility visits a customer service address intending to reconnect or disconnect service, but due to customer action, the 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 the 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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**STORLIE WATER COMPANY, INC.****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 and any 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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**STORLIE WATER COMPANY, INC.****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.

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**STORLIE WATER COMPANY, INC.****Rule 40: Water Pressure (OAR 860-036-0315)**

The 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 does 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 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 bib 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.

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**STORLIE WATER COMPANY, INC.****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.

**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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