

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UW 174

In the Matter of

GOVERNMENT CAMP WATER
COMPANY, INC.,

Request for a General Rate Revision.

ORDER

DISPOSITION: STIPULATION ADOPTED

I. INTRODUCTION

Government Camp Water Company, Inc. (Government Camp Water), filed an application for a general rate revision on December 29, 2017, requesting an increase in annual revenues of 73.64 percent; from \$176,394 to \$306,289. In Order No. 18-001, entered January 4, 2018, we suspended the company's filing for a period not to exceed nine months from January 31, 2018.

A Public Comment Hearing and Prehearing Conference were held in Government Camp, Oregon, on February 20, 2018. A number of members of the public participated in the open house by way of questions and comments, including persons representing homeowners' associations; nearly 200 customers (out of about 660) were represented. Parties to the proceeding are Government Camp Water and Staff of the Public Utility Commission of Oregon.

On May 3, 2018, Staff filed its opening testimony. Staff recommended a revenue decrease of \$3,008. Staff explained that the major differences between itself and the company were attributable to several unapproved affiliated interest agreements, issues with the company's accounting and consumption records, and substantial changes to salaries and other costs proposed by the company that have not been shown to be reasonable. Staff noted that its recommendations may change if Government Camp Water were to take measures to address these deficiencies.

On May 22, 2018, Staff and Government Camp Water filed a joint motion to amend the procedural schedule and extend the tariff suspension period. As grounds for their motion they noted that, in the course of discovery and developing testimony in this case, Staff had identified several transactions for which the company needs the Commission's approval under ORS 757.480 and ORS 757.495. These transactions include: (1) the 2014 transfer of the company to a new owner, which occurred without Commission consideration or approval under ORS 757.480; (2) an affiliated interest lease for office space; (3) an affiliated interest lease for storage space; and (4) an affiliated interest agreement pertaining to the purported new owner's salary. The company and Staff agreed that the company would make these four additional filings by June 5, 2018.

The motion was granted and the procedural schedule was modified to accommodate the new filings. The tariff suspension period was extended to March 31, 2019, by Order No. 18-179, dated May 23, 2018.

On September 14, 2018, Staff filed direct testimony replacing its earlier filing. In its replacement testimony Staff proposed a revenue requirement for the utility of \$218,939, resulting in an annual increase of \$42,545, of 24.12 percent above the company's 2016 test year revenues. Staff proposed a 7.38 percent rate of return on a rate base of \$496,582.

On September 26, 2018, the Alpenglade Park Property Owners Association submitted its "Objection" to parts of Staff's September 14, 2018 testimony. Alpenglade is not a party to this proceeding, accordingly its submission was treated as comments. However, the administrative law judge directed Staff to file a reply to Alpenglade's comments. That reply was incorporated into the joint testimony filed in support of the stipulation, as discussed below.

On November 29, 2018, Staff and Government Camp Water jointly filed a stipulation settling all issues in this proceeding, together with testimony of witnesses on behalf of both parties in support of their stipulation. In their stipulation, the parties recommend that we adopt a revenue requirement of \$255,053, an increase of 44.59 percent above the 2016 test year revenues. Their recommendation includes an 8.39 percent rate of return on a total rate base of \$529,331. Staff's replacement testimony, the stipulation, and the testimony in support of the stipulation are all received as evidence. A copy of their stipulation is attached to this order as an Appendix A.

II. BACKGROUND

Government Camp Water is a rate and service regulated investor-owned water utility located in Government Camp, Oregon. The town is a small, unincorporated resort community located near Mr. Hood. As there is no municipal water system serving the area, and Government Camp Water is the major water provider. Currently it serves about 660 residences and businesses. It provides water service to local ski resorts as well as local hotels, restaurants, and businesses. The company provides water service to a seasonal residential population and a permanent local population estimated to be between 190 and 260 people.

Government Camp Water was organized in 1907. Maryanne Hill purchased the company in 1961. On May 12, 2014, Ms. Hill gifted the company to Lesli Ann Bekins by transferring 100 percent of the company's stock to Ms. Bekins. Ms. Hill and Ms. Bekins did not seek Commission approval for their transaction until after this rate case was filed, contributing to the modification of the schedule and extension of the tariff suspension period. On August 28, 2018, we approved the transfer of ownership to Ms. Bekins.

We first asserted rate and service regulation over Government Camp Water in Order No. 09-313, on August 12, 2009. After granting the company numerous extensions, we opened Docket No. UW 145 to investigate the propriety and reasonableness of its tariff filing. The parties to docket UW 145 entered into a stipulation that we approved by Order No. 11-278, issued July 29, 2011. In this case, that stipulation included several requirements that Staff found that had not been fulfilled by the company, including a deadline for filing a new rate case by the end of January 2014, and a three year meter installation program. Both of these matters are addressed in the stipulation in this case. Staff discussed those failures in its replacement testimony.

In the course of reviewing this application, Staff identified multiple affiliated interest agreements that require our separate approval. The company filed affiliated interest agreements relating to the owner-officer's salary and leases for its office and storage sites in Dockets No. UI 402, UI 403, and UI 404. On August 28, 2018, we approved each of these agreements, subject to the condition that we reserved the right to review the reasonableness of each transaction in this rate proceeding.

III. THE STIPULATION

The stipulating parties propose that we adopt an annual revenue requirement of \$255,053 (a 44.59 percent increase). The revenue requirement is based on an 8.39 percent rate of return on a rate base of \$529,331. The parties agree that the rates will be effective for

service rendered on and after January 1, 2019, or three business days after we adopt this stipulation, whichever is later. The parties agree that Government Camp Water will add language to its tariff explaining how it will prorate its rates, given the long duration between its annual meter readings.

The parties agree that, for metered accounts, the rate design will be based on a 70/30 split between monthly base rates and commodity rates. The company will bill its metered customers based on the presence and size of existing meters, with the exception of accounts associated with fifteen $\frac{3}{4}$ inch meters that currently serve 95 end users, which will be based on the company's current method. This agreement results in a rate design that allocates rates based on a total of 494 customers – 227 metered and 267 flat rate.

The parties agree that consumption rates will be billed at the rates that are in effect during the time period the water is used. Because the company reads meters annually and bills for the prior year's consumption, consumption rates will continue to reflect the old consumption rate of \$1.12 until the annual consumption reading in July 2019. Consistent with its Tariff Rule 21, beginning in July 2019, the company will prorate and bill consumption according to the method laid out in Tariff Rule 23 to capture charges for consumption occurring after the effective date.

The parties agree that Government Camp Water will convert all flat rate customers with line sizes greater than $\frac{3}{4}$ inch service to metered service before June 1, 2024. The company will convert a minimum of two non-metered customers per year, beginning in 2019.

Government Camp Water will file a new rate case on or before June 1, 2024.

IV. TESTIMONY IN SUPPORT OF STIPULATION

In regard to the proposed revenue requirement, the parties note that the company's expenses were impacted by several key factors. These include the seven year gap between rate case test years¹, increased administrative and operational costs consistent with Docket No. UI 404, and increased costs consistent with our review and approval of lease agreements in Dockets No. UI 402 and UI 403. Significant adjustments to the company's test year results of operations are summarized below:

¹ The rates established in UW 145 were based on a 2009 test year.

A. Results of Operations

1. Revenues

a. Account 471, Miscellaneous Services

The parties agreed to an upward adjustment of \$4,966, reflecting three years (2015 – 2017) of such revenues received by the company.

2. Expenses

a. Account 603, Salaries and Wages – Officers

The parties agreed to a downward adjust of \$6,652 in accordance with Order No. 18-318 issued on August 28, 2018, in Docket No. UI 404.

b. Account 604, Employee Pension and Benefits

Government Camp Water requested \$24,000 to fund a pension benefit for its prior owner, Maryanne Hill. In their stipulation, the parties agreed to remove this expense.

c. Account 639, Contract Services – Other

The company requested \$49,969 to cover the expenses for the Water Operator contractor. Staff proposed to reduce this amount to reflect an overlap in duties described for the Officer salary and those described in the Water Operator contract. The parties agreed to a reduction of \$9,992.

d. Account 641, Rental of Building/Real Property

The tariff suspension period was extended to allow time to consider and approve affiliated interest agreements for company leases of a barn and storage lot belonging to Ms. Bekins and of office space belonging to Ms. Hill. In accordance with our decisions in Orders No. 18-317 and No. 18-319 the parties agreed to a downward adjustment of \$3,000 from the amount requested by the company to match the amount approved in the affiliated interest dockets.

e. Account 656, Vehicle Insurance

The company requested \$1,322 in this account to cover the cost of insurance for the same vehicle included in Account 650 (where the costs are calculated on an estimated cost per mile basis). Because the parties agreed to calculate costs for the use of this vehicle on a mileage basis, this account was reduced by \$1,322.

f. Account 666, Amortization of Rate Case

Government Camp Water originally requested \$19,000 in this account, to be amortized at \$6,333 per year. However, the company claims that, due to the complex nature of this case, its expenses far exceeded that amount. In their stipulation, the parties agreed to a rate case expense of \$75,000, to be amortized over five years – to be consistent with the commitment by the company to file another rate case no later than 2024.

g. Account 408.11, Property Tax

The company requested \$9,412, which included \$1,201 in property taxes for the storage lot belonging to Ms. Bekins. Property taxes on this lease were not approved in the associated affiliated interest docket (Docket No. UI 402). The parties agreed to remove this amount from this account.

h. Account 408.12, Payroll Tax

Government Camp Water requested \$5,280 in this account to pay the increased payroll tax for its proposed salary for Ms. Bekins of \$56,762. In Docket No. UI 404 we approved her salary of \$50,130 (Order No. 18-318). The parties agreed to reduce the payroll tax to match the adjusted salary, a reduction to this account of \$1,049.

3. Rate Base

a. Account 101, Plant Adjustments

The stipulating parties removed specified plant assets while adding others. The stipulated net plant is shown in Table 1 in their testimony.

Table 1

	Test Year	Company Proposed	Stipulation
Utility Plant	\$1,051,997	\$1,051,997	\$2,105,841
Accumulated Depreciation	\$520,939	\$520,939	\$718,656
CIAC	0	0	\$1,077,641
Accumulated CIA Amortization	0	0	\$195,867
Net Plant	\$531,058	\$531,058	\$505,411

4. Cost of Capital

In docket UW 145 we approved a 7.5 percent interest rate for a water tank loan. In this case the parties agreed to a 6.63 percent interest rate for the water tank loan and a 9.5 percent return on equity. Those values applied to the stipulated capital structure result in a combined return on rate base of 8.39 percent.

5. Income Tax Rate

In their stipulation, the parties used the federal income tax rate of 21 percent, rather than the tax rates applicable during the company's 2016 test year, to be consistent with the tax rates that will be in effect during the rate effective period.

B. Rate Design

Government Camp Water has a mixture of metered and flat rate accounts. The parties agreed to change the company's current rate design which bases the number of metered customers on a customer equivalent approach for multi-tenant accounts, instead of the size and number of meters serving metered customers. This method has resulted in a rate design based on 393 metered customers instead of the 147 meters in the field.

Staff believes that this approach distorts the role of the meter in traditional rate design. The stipulated rates reflect the actual number and size of the meters, with the exception of 95 customers currently served through 15 shared ¾ inch sized meters. To ensure equitable rates, those customers will continue to be billed through a customer equivalency method. The parties agree that billing this particular segment of customers

according to the customer equivalent method will avoid potential inequities that could result when numerous multi-dwelling units are served through a single meter.²

Government Camp Water originally proposed to base its rates on 660 customers. In their stipulation, the parties agreed to a rate design based on 227 metered customers and 267 flat rate customers – a total of 494 customers. The proposed rates are based on a 70/30 split between the monthly base rate and the commodity rate to reflect the company's fixed monthly costs in the resort area.

The resulting base rates for residential/commercial metered and flat rate customers are as follows:

Line Type & Size	Current Rate	Proposed Rate	Difference %
Metered Residential/Commercial			
5/8" or 3/4"	\$15.86	\$24.88	56.87
1"	\$19.82	\$34.83	75.74
1 1/2"	\$24.10	\$49.76	106.47
2"	\$29.81	\$66.35	122.56
3"	\$33.93	\$87.08	156.64
4"	\$34.88	\$145.13	316.09
6"	\$40.43	\$290.26	617.94
Flat Rate Residential/Commercial			
5/8 or 3/4	\$20.75	\$29.04	39.54
1"	\$24.17	\$54.50	125.48
2"	\$34.53	\$125.58	263.69

The stipulated commodity rate is \$1.68591 per 100 cubic feet. This is an increase of about 50 percent above the current commodity rate of \$1.12 per 100 cubic feet.

The resulting average bills for metered customers, including the commodity charges, are as follows:

² Normally, these types of units would be served either by installing one additional meter per unit or by installing a later sized master meter sufficient to serve more than one household. However, Government Camp Water's existing plant design provides water service to some homes by shared 3/4 inch meters. The parties recognized that a multi-family dwelling facility using only the single meter would be charged only the single meter base rate. This could result in inequitable rates, as some households would pay only a prorated portion of a single base rate for each unit, while other similar household not served by shared meters would pay the whole rate.

Line Type & Size	Current Bill	Proposed Bill	Difference %
Metered Residential/Commercial			
5/8" or 3/4"	\$18.63	\$29.04	55.93
1"	\$32.61	\$54.09	65.85
1 1/2"	\$44.57	\$80.58	80.78
2"	\$68.98	\$125.31	81.66
3"	\$33.93	\$87.08	156.64
4"	\$132.80	\$292.52	120.28
6"	\$41.12	\$291.30	608.42

According to the stipulating parties, currently only the rates for 3/4 inch meter and sized customers are based on full American Water Works Association (AWWA) rate design factors. So as to minimize the subsidy of larger customers, the parties agreed to pass a larger percent of the rate increase to the larger flat rate and meter size customers in the course of making progress toward rates based on the AWWA factors. The parties intend that such progress should be furthered in each subsequent rate case until full AWWA factors are in place.

C. Response to Alpenglade Homeowners Association

Alpenglade's comments focused on the difference between the monthly average rate for 3/4 inch metered customers, compared to the monthly rate for non-metered, flat rate customers. Alpenglade asserted that the monthly flat rate should be less than or equal to the average bill of the 3/4 inch metered monthly rate. It believed that Staff's proposed rates would force Alpenglade customers to subsidize 3/4 inch metered customers because Staff's propose flat rate was higher than the proposed average monthly 3/4 inch metered rate.

In their stipulation, the parties recommend that flat rates "mirror" the average monthly rates of their metered counterparts. In their view, "this is consistent with standard rate design."³ They note the difficulties in designing rates for a mixture of full and part-time residents with no usage data and invite Alpenglade to explore options for metering its members if they would prefer usage based rates.

³ Stipulating Parties/100, Bekins-Brock/12.

V. RESOLUTION

We find the stipulation to be a reasonable resolution of the issues presented and adopt it in its entirety. We acknowledge the effort that was required to address the deficiencies in the application and to take up the matters relating to the unauthorized transfer of the company and the unapproved affiliated interests agreements.

The difficulty of processing this case was compounded by the delay between rate cases and the company's failure to comply with all the requirements of the prior rate case decision. We hope to see better results next time around.

Staff's testimony fully explains the basis for each adjustment to Government Camp Water's test year rate calculations and provides a high degree of confidence that we can confirm the view of the stipulating parties that their proposed rates are fair and reasonable. The parties worked together to address the unique features of the company with its mixture of metered and flat rate customers and annual billing practice and formulated a rate design solution that we find reasonable.

In their supporting testimony, the parties fully responded to the ALJ's directive regarding the Alpenglade concerns.

VI. ORDER

IT IS ORDERED that:

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

3. Government Camp Water Company, Inc., is authorized to file its tariffs in accord with the stipulation, with an effective date of January 1, 2019, or three business days after the entered date of this order, whichever is later.

Made, entered, and effective Dec 21 2018.



Megan W. Decker
Chair



Stephen M. Bloom
Commissioner



Letha Tawney
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 174

In the Matter of

GOVERNMENT CAMP WATER
COMPANY, INC.,

Request for a General Rate Revision.

STIPULATION

Government Camp Water Company (GCW or Company), appearing by and through its attorney, Wyatt E. Rolfe of Schroeder Law Offices, P.C., and the Public Utility Commission of Oregon Staff (Staff), appearing by and through its attorney, Elizabeth Uzelac, Assistant Attorney General, hereafter collectively referred to as the Stipulating Parties, enter into this Stipulation resolving all issues in this case.

1.

The Stipulating Parties support entering into evidence, without requiring any Stipulating Party to lay a foundation for their admission, this Stipulation and its Attachments A (revenue requirement) and B (tariffs), the Stipulating Parties' joint written Testimony in Support of the Stipulation (Exhibit Stipulating Parties/100), and additional supporting exhibits (Exhibit Stipulating Parties/101-102).

2.

The Stipulating Parties agree to support and recommend that the Commission adopt a total revenue requirement of \$255,053, which includes an 8.39 percent rate of return on a total rate base of \$529,331 and reflects an increase of 44.59 percent over the 2016 test period revenues. The stipulated revenue requirement is contained in Attachment A to this Stipulation.

3.

The Stipulating Parties agree to and support the rates, fees, rules, and regulations contained in Attachment B to this Stipulation, which includes GCW's tariff sheets PUC Oregon No. 2, Original Sheet Nos. 1 through 24.

4.

The Stipulating Parties agree to rates being effective for service rendered on and after January 1, 2019, or three business days after the date the Public Utility Commission of Oregon (Commission) enters an order adopting this Stipulation, whichever is later.

5.

The Stipulating Parties agree that GCW will add language to its tariffs addressing how proration of rates will work in light of GCW's long duration between annual meter readings.

6.

The Stipulating Parties agree that, for metered accounts, GCW's rate design will apply a 70/30 split between monthly base rates and commodity rates.

7.

The Stipulating Parties agree that GCW will determine and bill its metered customers based on the presence and size of existing meters in the field, with the exception of the accounts associated with fifteen 3/4 inch meters that currently serve 95 end users, which will be billed based on GCW's current method. This agreement results in a rate design that allocates rates based on a total of 494 customers: 227 metered and 267 flat rated.

8.

The Stipulating Parties agree that consumption rates will be billed at the rates that are in effect during the time period the water is used. Because the Company reads meters annually and bills for the prior year's consumption, consumption rates in the Company's bills will continue to reflect the old consumption rate of \$1.12 until the annual consumption reading in July 2019. Consistent with Rule 21, beginning in July 2019, the Company will prorate and bill consumption according to the method laid out in Tariff Rule 23 in order to capture charges for consumption occurring after the effective date.

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9.

The Stipulating Parties agree that GCW will convert all flat rated customers with line sizes greater than 3/4 inch service to metered service before June 1, 2024.¹ GCW will convert a minimum of two such non-metered customers to metered customers per year beginning in the year 2019. GCW will submit a report to the Commission by February 1 of each year, beginning on February 1, 2020, that shows 1) the number of flat rated customers converted to metered service during the previous year and 2) the cost of those conversions.

10.

The Stipulating Parties agree that GCW will file a new rate case on or before June 1, 2024.

11.

GCW acknowledges that, if the Commission adopts this Stipulation, GCW may not later act contrary to the terms of this Stipulation without first seeking and obtaining a modification of the relevant Commission order approving the Stipulation. GCW additionally acknowledges that future property transactions, affiliated interest transactions, and new debt transactions may also require Commission filings and advance Commission approval.

12.

The Stipulating Parties have negotiated this Stipulation in good faith and recommend that the Commission adopt the Stipulation in its entirety.

13.

The Stipulating Parties agree that the Stipulation represents a compromise in the positions of the Stipulating Parties. By entering into this Stipulation, no Stipulating Party shall be deemed to have approved, accepted, or consented to the facts, principles, methods, or theories employed by any other Stipulating Party in arriving at the terms of this Stipulation.

¹ This will complete GCW's work to meet the goal agreed to in the stipulation adopted by the Commission in Order No 11-278 in Docket No. UW 145.

1 14.

2 The Stipulating Parties agree that without the written consent of all Stipulating Parties,
3 evidence of conduct or statements, including but not limited to term sheets or other documents
4 created solely for use in settlement conferences in this docket, and conduct or statements made at
5 settlement conferences, are confidential and not admissible in this or any subsequent proceeding,
6 unless independently discoverable or offered for other purposes allowed under ORS 40.190.

7 15.

8 The Stipulating Parties understand that this Stipulation is not binding on the Commission
9 in deciding GCW's application for a general rate increase and does not foreclose the
10 Commission from addressing any other issues.

11 16.

12 The Stipulating Parties have negotiated this Stipulation as an integrated document.
13 Accordingly, if the Commission rejects all or any material portion of this Stipulation, or adds any
14 material condition to any final order that is not consistent with this Stipulation, each Stipulating
15 Party reserves the right, upon written notice to the Commission and all parties to this proceeding
16 within 15 days of the date of the Commission's final order, to withdraw from the Stipulation and
17 to present additional evidence and argument on the record. However, prior to withdrawal, the
18 Stipulating Party who wishes to withdraw must engage in good faith negotiation with the other
19 Stipulating Party. No Party withdrawing from this Stipulation shall be bound to any position,
20 commitment, or condition of this Stipulation. Nothing in this paragraph provides any Stipulating
21 Party the right to withdraw from this Stipulation as a result of the Commission's resolution of
22 issues that this Stipulation does not resolve.

23 17.


24 The Stipulating Parties agree to support Commission approval of the Stipulation,
25 throughout this proceeding and any subsequent appeal, and to provide either witnesses to sponsor
26 testimony or legal representatives to support this Stipulation. If any other party to this

proceeding challenges this Stipulation or if any other interested person objects to this Stipulation in comments, the Stipulating Parties agree to cooperate in responding to bench requests, preparing supplemental testimony, and participating in cross-examination and to put on such a case as they deem appropriate to respond fully to the issues presented, which may include addressing issues incorporated in the settlements embodied in this Stipulation.

18.

This Stipulation may be executed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 29th day of November, 2018.


Elizabeth B. Uzelac, OSB # 170507
Assistant Attorney General
Of Attorneys for Staff of the Public Utility
Commission of Oregon

DATED this _____ day of November, 2018.

Wyatt E. Rolfe, OSB # 064926
Counsel for Government Camp Water Company

1 proceeding challenges this Stipulation or if any other interested person objects to this Stipulation
2 in comments, the Stipulating Parties agree to cooperate in responding to bench requests,
3 preparing supplemental testimony, and participating in cross-examination and to put on such a
4 case as they deem appropriate to respond fully to the issues presented, which may include
5 addressing issues incorporated in the settlements embodied in this Stipulation.

6 18.

7 This Stipulation may be executed in any number of counterparts, each of which will be an
8 original for all purposes, but all of which taken together will constitute one and the same
9 agreement.

10

11 DATED this _____ day of November, 2018.

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Elizabeth B. Uzelac, OSB # 170507
Assistant Attorney General
Of Attorneys for Staff of the Public Utility
Commission of Oregon


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17 DATED this 29th day of November, 2018.

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Wyatt E. Rolfe, OSB # 064926
Counsel for Government Camp Water Company

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ORDER NO. 18-488

[illegible]

**Containing Rules and Regulations
Governing Water Utility Service****NAMING RATES FOR**

**GOVERNMENT CAMP WATER COMPANY
PO BOX 86
GOVERNMENT CAMP, OR 97028-0067

503-260-1342**

Serving water in the vicinity of Government Camp, Oregon

{P0416385; 1150.04 TJJ }

Issue Date / Filing Date	File Date	Effective for Service on or after	TBD
Issued by Utility	Government Camp Water Company		

Advice No. 18-1

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{P0416385; 1150.04 TJJ }

Issue Date / Filing Date	File Date	Effective for Service on or after	TBD
Issued by Utility	Government Camp Water Company		

SCHEDULE NO. 1**RESIDENTIAL & COMMERCIAL METERED WATER RATES****Available:** To customers of the Utility at Government Camp, Oregon, and vicinity.**Applicable:** To residential metered customers.**Base Rate**

SERVICE METER SIZE	MONTHLY BASE RATE	USAGE ALLOWANCE
5/8 inch or 3/4 inch	\$24.88	None
1 inch	\$34.83	None
1½ inches	\$49.76	None
2 inches	\$66.35	None
3 inches	\$87.08	None
4 inches	\$145.13	None
6 inches	\$290.26	None

Commodity Usage Rate

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$1.69	Per Unit	1 unit = 100 cubic ft

Special Provisions:

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

{P0416385; 1150.04 TJJ }

Issue Date / Filing Date	File Date	Effective for Service on or after	TBD
Issued by Utility	Government Camp Water Company		

SCHEDULE NO. 2**RESIDENTIAL & COMMERCIAL FLAT WATER RATES****Available:** To customers of the Utility at Government Camp, Oregon, and vicinity.**Applicable:** To flat rate customers.**RESIDENTIAL & COMMERCIAL FLAT RATES**

SERVICE METER SIZE	MONTHLY FLAT RATE	USAGE ALLOWANCE
5/8 inch or 3/4 inch	\$29.04	UNLIMITED
1 inch	\$54.50	UNLIMITED
2 inches	\$125.58	UNLIMITED

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 26, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in Schedule 1. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.
3. All residential and commercial premises receiving larger than 3/4" water service that is not metered as of January 1, 2019, shall be charged at the flat rates contained in Schedule 2 until a meter is installed.
4. All residential and commercial hookups installed on or after January 1, 2019, shall be metered.

{P0416385; 1150.04 TJJ }

Issue Date / Filing Date	File Date	Effective for Service on or after	TBD
Issued by Utility	Government Camp Water Company		

SCHEDULE NO. 3
FIRE SERVICE RATES

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

Applicable: To all customers.

Fire Service Rate

SERVICE METER SIZE	MONTHLY RATE
All residential and commercial metered and flat rate customers	\$0.25

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 26, Voluntary Discontinuance.

{P0416385; 1150.04 TJJ }

Issue Date / Filing Date	File Date	Effective for Service on or after	TBD
Issued by Utility	Government Camp Water Company		

SCHEDULE NO. 4
WATER HAULERS RATES

AVAILABLE: To water haulers when the Utility's facilities and excess capacity exist. Determination of adequacy of facilities and capacity is in the sole discretion of the Utility. Each water truck must be equipped with a suitable hydrant meter, suitable backflow prevention devices, and a fire hydrant wrench.

APPLICABLE: To all water haulers.

COMMERCIAL WATER HAULERS RATE

\$1.69 per 100 cubic feet

SPECIAL PROVISIONS:

1. Truck meters must be presented at the Utility's office between the 1st and the 5th of each month. Bills for service are due in accordance with the tariff.
2. Water haulers detected not using meters or proper equipment may be denied service for one month for the first offense, and denied service completely for a second offense.

{P0416385; 1150.04 TJJ }

Issue Date / Filing Date	File Date	Effective for Service on or after	TBD
Issued by Utility	Government Camp Water Company		

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 Nos. 19 & 20)

First test within 12-month period	N/C
Second test within 12-month period	At Cost

Pressure Test (Rule No. 39)

First test within 12-month period	N/C
Second test within 12-month period	\$35 per hour

Late-Payment Charge (Rule No. 21)

Pursuant to OAR 860-036-1400

Deposit for Service (Rule No. 5)

Pursuant to OAR 860-036-1220

Returned-Check Charge (Rule No. 22)

\$35

Trouble-Call Charge (Rule No. 35)

During normal or after office hours	\$55 per hour
Require Backhoe	\$110 per hour

Disconnection/Reconnect Charge (Rule Nos. 28 & 29)

May through September	\$50
October through April	\$64 plus cost of snow removal

Unauthorized Restoration of Service (Rule No. 30)

Disconnection/Reconnection charge plus costs

Damage/Tampering Charge (Rule No. 28)

at cost

Disconnect Site-Visit Charge (Rule No. 29)

\$25

RULES AND REGULATIONS

{P0416385; 1150.04 TJJ }

Issue Date / Filing Date	File Date	Effective for Service on or after	TBD
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Rule 1: Jurisdiction of the Commission

Water systems are subject to regulation as provided under ORS Chapter 757

Rule 2: Definitions

- A. "Applicant" means a person who does not meet the definition of a customer, who applies for service with a water utility.
- B. "Commission" shall mean the Public Utility Commission of Oregon.
- C. "Commercial service" means water service provided by the water utility that the customer uses in the promotion of a business or business product that is a source of revenue or income to the customer or others using the premises.
- D. "Customer" means a person who is currently receiving water service and is entitled to certain rights as a customer under these rules. A residential customer retains customer status for 20 calendar days following voluntary disconnection of service and must be treated as a customer if he or she reapplies for service within that 20 calendar day period.
- E. "Customer's service line" is defined as the facilities used to convey water from the point of connection to the customer's point of usage. The customer owns and maintains the customer service line.
- F. "Residential service" means water service provided for domestic or irrigation purposes in a residential area and is not considered a commercial service.
- G. "Served" for purpose of delivery of any required notice or document, unless otherwise specifically noted, means: delivered in person, by personal contact over the telephone, or in writing delivered to the party's last known address. If delivered by US Mail, the notice is considered served two calendar days after the date postmarked, the date of postage metering, or deposit in the US Mail, excluding Sundays and postal holidays.
- H. "Utility" shall mean: **GOVERNMENT CAMP WATER COMPANY**
- I. "Water service connection" is defined as the facilities used to connect a water utility's distribution network to the point of connection at the customer's service line. The water utility owns and maintains the water service connection.

{P0416385; 1150.04 TJJ }

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APPLICATION FOR SERVICE**Rule 3: Information for Applicants and Customers (OAR 860-036-1100)**

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

- A. A copy of its approved tariffs or statement of rates;
- B. A copy of the utility's rules and regulations applicable to the type of service being provided; and
- C. The option to receive electronic copies of all written notices to be issued on the customer's account.

Rule 4: Application for Service (OAR 860-036-1200)

Application for water service must be made for each individual property to be served. The application shall identify the name of the applicant, the service address, the billing address, the contact information where the applicant can be reached, the type of water service requested and its intended use, and the name to be used to identify the account, if different than the applicant's actual name. 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 860-036-1210.

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.

Rule 5: Establishment of Credit, Surety Agreements, Deposits, Interest, and Refunds of Deposits (OAR 860-036-1210, 1220, 1230, 1240, 1250, and 1260)

The utility may require an applicant or customer to pay a deposit as a guarantee of payment for services provided. Amounts held by a water utility may not exceed one-sixth of the actual or estimated annual billing for the premises. (OAR 860-036-1220)

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The water utility may adjust the deposit amount when a customer moves to a new location within the water utility's service area, and the anticipated bill at the new residence will be at least 20 percent greater than the basis of the existing deposit. (OAR 860-036-1220(5))

The Utility must inform any residential applicant or customer who is required to pay a deposit of the opportunity to provide a written surety agreement in lieu of paying the deposit. A surety agreement obligates another qualifying residential customer of the same utility to pay an amount up to the required deposit if the secured account is later disconnected and a balance remains owing following the due date for the closing charges. To qualify as a surety, the other residential customer must have had 12 months of continuous service with the Utility without a late payment. (OAR 860-036-1230)

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 860-036-1250 and 1260):

- ☐ 1. Issuing the customer a refund check, or
☒ 2. Crediting the customer's account; however, a customer is entitled to a refund upon request pursuant to OAR 860-036-1260

Rule 6: Customer Service Line (OAR 860-036-1300(2))

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 service line or any portion of the customer's plumbing. All leaks in the customer service 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.

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Rule 8: Water Service Connections (OAR 860-036-1300)

The water service connection is defined as the facilities used to connect the Utility's distribution network to the point of connection at the customer's service line. The Utility owns, operates, maintains, and replaces the service connection when necessary and promptly repairs 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.

Rule 9: Service Connection Charge (OAR 860-036-1300(3))

An applicant requesting permanent water service to a premise not previously supplied with permanent service by the Utility will 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 860-036-1310)

A main line extension is defined as the extension of the Utility's main line necessary to provide service to a customer when the property does not currently have main line frontage.

Main line extension charges, if any, are stated in the Utility's tariff or statement of rates.

Rule 11: 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 12: 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 a single service line and 3/4" or 5/8" meter, shall be considered to be equivalent to the number of dwelling units when determining the customer count.

Rule 13: Utility Access to Private Property (OAR 860-036-1370, -1500)

Customers shall provide regular access to Utility-owned service lines that may extend onto the customer's premises 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

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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 14: Restriction on Entering a Customer Residence (OAR 860-036-1330)

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

REFUSAL OF SERVICE

Rule 15: Refusal of Service Due to Customer Accounts (OAR 860-036-1270)

The Utility may refuse to provide service if:

- A. The applicant has amounts owing under a tariff or statement of rates; or
- B. The applicant for residential service has a roommate with amounts owing under a tariff or statement of rates, and the applicant lived with the roommate at the time the amounts owing were incurred.

Exception: If the applicant for residential service was a former residential customer with amounts owing, was involuntarily disconnected for non-payment, and applies for service within 20 calendar days of the disconnection, the Utility must provide service upon receipt of one-half of the amount owed with the remainder due within 30 calendar days. If the former customer fails to pay the remaining amounts within 30 calendar days, the Utility may disconnect service after issuing a 7-calendar day disconnection notice in accordance with OAR 860-036-1510(4).

If service is disconnected, the Utility may refuse to restore service until it receives full payment of all amounts owing, including reconnection charges allowed under OAR 860-036-1580.

Service shall not be refused for matters not related to water service.

Residential service shall not be refused due to obligations connected with nonresidential 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 16: Refusal of Service Due to Utility Facilities (OAR 860-036-1270)

The Utility shall not accept an application for service or materially change service to a customer if the Utility does not have adequate facilities, resources or capacity 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.

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For refusal of service under this rule, the Utility shall provide a written letter of refusal to the applicant within seven calendar days, informing applicant that the details upon which the Utility's decision was based may be requested.

The details will include, but not be limited to:

- A. Provide the information required by OAR 860-036-1100(2);
- B. Explain the specific reasons for refusing water service;
- C. Inform the applicant of the right to request details upon which the Utility's decision was based; and
- D. Inform the applicant of the right to dispute the refusal by contacting the Consumer Services Section at the contact information provided in OAR 860-001-0020(2).

Rule 17: Refusal of Service Due to Customer Facilities (OAR 860-036-1270)

The Utility will refuse service to an applicant 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 applicant within seven calendar days stating the reason(s) for refusal and providing information regarding the Commission's complaint process.

METERS

Rule 18: Utility Meters (OAR 860-036-1350)

The Utility owns, maintains, and operates all meters. Meters placed in service will 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 will be provided with a suitable cover.

Where additional meters are installed by the Utility or relocated for the convenience of the customer, the actual cost incurred for any meter relocation requested by the customer will be assessed.

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.

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Rule 19: Meter Testing (OAR 860-036-1350)

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

- A. Meter identification number and location;
- B. Reason for making the test;
- C. Method of testing;
- D. The beginning and ending meter readings;
- E. Test results and conclusion; and
- F. All data taken at the time of the test.

Rule 20: Customer-Requested Meter Test (OAR 860-036-1360)

A customer may request that the Utility test the service meter once every 12 months at no cost. Such test shall be made within seven calendar days of the receipt of the request unless the customer fails to provide the Utility reasonable access to the meter. 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. Within seven calendar days of performing the requested meter test, report shall be provided to the customer stating:

- A. The name of the customer requesting the test and the service address where the meter was tested;
- B. The date the meter test was requested and the date the meter test was performed;
- C. The name of the person performing the test;
- D. The meter identification number and location;
- E. The beginning and ending meter readings; and
- F. The actual test results and conclusion.

If a customer requests a meter test more often than once in any 12-month period, and the test results indicate that the meter is registering within the two percent performance standard, the customer may be assessed a reasonable charge for the test if the charge is included in the Miscellaneous Service Charges Schedule. If the meter registers outside the two percent performance standard, the Utility may not charge the customer for the meter test.

{P0416385; 1150.04 TJJ }

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BILLING**Rule 21: Billing Information and Late-Payment Charge (OAR 860-036 1100(2), 1400, and 1430)**

All bills, including closing bills, are due and payable at the Utility office within at least 15 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.

With base/flat rates, all customers will be billed quarterly in advance for the following three months. The Utility will provide its customers with timely billings every quarter for base/flat rate charges due. For metered consumption charges, meters shall be read annually, with the previous year's metered consumption divided into fourths and thereafter billed quarterly beginning with the Utility's October 1 billing.

All water service bills will show:

- A. Separate line items for past due balance, payments and credits, new charges, late fees, and total account balance;
- B. The date new charges are due;
- C. Calculation of new charges including base or flat rate, usage billing tiers and rates, beginning and ending meter readings, the dates the meter was read, rate schedule, billing period, and number of days in the billing period;
- D. The date any late payment charge was applied and an explanation of the terms of the late payment charge; and
- E. Any other information necessary for the computation of the bill.

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 22: 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.

{P0416385; 1150.04 TJJ }

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Rule 23: 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 all services, bills will be prorated to reflect rate increases or reductions ordered by the Commission during periods between meter readings. For metered consumption bills, the Company shall calculate the average daily consumption during the annual billable period. Consumption will be charged at scheduled rates and will be prorated for the billing period using the calculated average daily consumption, times the number of days at the old rate, plus the average daily consumption, times the number of days at the new rate.

In the event that a customer initiates and terminates service within an annual billing period, for metered consumption bills, the Company shall calculate the average daily consumption during the previous year's annual billable period. Consumption will be charged at scheduled rates and will be prorated for the billing period using the calculated average daily consumption, times the number of days at the old rate, plus the average daily consumption, times the number of days at the new rate.

Rule 24: Adjustment of Bills (OAR 860-036-1440)

When an overbilling occurs, the Utility will refund or credit amounts incorrectly collected. No refund or credit will be issued for incorrect billings which occurred more than three years before the incorrect billing was discovered.

When an underbilling occurs, the Utility will issue a bill to collect amounts owing for the 12-month period ending on the date on which the water utility issued the last incorrect bill. When such under collected amounts are billed to customers, the Utility will provide written notice to the customer detailing:

- A. The circumstances and time period of the billing error;
- B. The corrected bill amount and the amount of the necessary adjustment;
- C. The Commission's consumer complaint process; and
- D. The right for a current or former customer to enter into a time-payment agreement with the Utility.

The Utility will not bill for services provided more than two years before the underbilling was discovered. No billing adjustment will be required if a meter registers less than two percent error under conditions of normal operation. The Utility may waive rebilling or issuing a refund check when the costs make such action uneconomical.

{P0416385; 1150.04 TJJ }

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Rule 25: Transfer Billings (OAR 860-036-1450)

If the Utility determines that a customer owes an amount from a closed account the customer previously held with the Utility, the Utility may transfer the closed account balance 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; and
- B. The period when the balance was incurred; and
- C. The service address under which the bill was incurred.

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. The Utility will not transfer a balance owing on a non-residential account to a residential account.

DISCONNECTION OF WATER SERVICE

Rule 26: Voluntary Discontinuance (OAR 860-036-1560)

A customer requesting disconnection of service must provide the Utility with at least seven calendar days' advance notice. The customer is responsible for all service provided for seven calendar days following the request for disconnection or until service is disconnected, whichever comes first; or if the customer identified a specific date for disconnection in excess of seven calendar days, the customer is responsible for service rendered up to and including the requested date of disconnection.

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.

Nothing in this rule prevents the Utility from temporarily interrupting service to protect the health and safety of its customers or to maintain the integrity of its system.

{P0416385; 1150.04 TJJ }

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Rule 27: Emergency Disconnection (OAR 860-036-1630)

The Utility may terminate service in emergencies when life or property is endangered without following the procedures set forth in OAR 860-036-1630. 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 28: Disconnection of Water Service Charge for Cause (OAR 860-036-1500, -1510, -1520, -1530, and 1550)

The Utility may disconnect service when:

- A. A customer fails to pay charges due for services rendered under a water utility tariff or statement of rates;
- B. A customer fails to pay a deposit, fails to timely provide a surety under OAR 860 036-1230 or comply with its terms, or fails to comply with the terms of a deposit installment agreement under OAR 860-036-1240;
- C. A customer fails to comply by the terms of a payment agreement under OAR 860 036-1240(3) or 860-036-1420;
- D. A customer provides false identification to establish or to continue service;
- E. A customer has facilities that do not comply with the applicable codes, rules, regulations, or the best practices governing safe and adequate water service, including compliance with the water utility's Cross Connection Control Program;
- F. A customer fails to provide reasonable access to the meter or premises;
- G. A customer tampers with water utility facilities or engages in theft of service or unauthorized use of water;
- H. A customer fails to comply with water restriction requirements under OAR 860-036-1670; or
- I. The Commission approves the disconnection of service.

If the disconnection is due to failure to pay a deposit, secure a surety agreement, abide by a deposit installment agreement, abide by the terms of a payment arrangement, or due to the theft of service, tampering with utility property, diverting water, or unauthorized use of water, the Utility will provide one 7-day written disconnection notice prior to disconnection. For other disconnections, the Utility will provide two written notices in advance of disconnection: one 15-day notice and one 7-day notice.

If the disconnection is due to a customer's failure to comply with a water use restriction imposed under OAR 860-036-1670, the utility may disconnect the customer without issuing either a 15-calendar day or 7 calendar day disconnection notice.

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The notices shall include:

- A. The name, mailing address, telephone number, emergency telephone number, and email address or website of the Utility,
- B. State that the customer's water service is subject to disconnection on or after a specific date;
- C. Provide the grounds for the proposed disconnection;
- D. State what actions the customer must take in order to avoid disconnection; and
- E. A statement that the customer may dispute the disconnection by contacting the Commission's Consumer Services Section.

If the disconnection notice is for nonpayment, the notice shall also include:

- A. The amount the customer must pay to avoid disconnection;
- B. Provide information about the customer's eligibility for a time-payment agreement provided in OAR 860-036-1420 for residential customers, unless the customer is being disconnected for failing to comply with an existing time-payment agreement or has engaged in theft of service, tampering with utility property, diverting water, or unauthorized use of water; and; and
- C. A statement that once service is disconnected, the water utility will reconnect service only after the customer reapplies for service and pays all applicable charges..

The 7-calendar day and 15-calendar day advance written notices of disconnection will be hand-delivered in person to the customer or adult at the premises, or sent by the US Mail to the customer's billing address and designated representative. Mailed notices are considered served two calendar days after deposited in the US Mail, excluding Sundays and postal holidays. If the customer has requested to receive notices electronically, the Utility will provide an electronic notice in addition to the written notices.

Within 48 hours of disconnection, the Utility will make a good-faith effort to contact the customer or an adult at the residence and provide notice 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 disconnected.

Disconnection of Water Service to Tenants:

- A. If a water utility's records show that a residential billing address is different from the service address, the water utility must mail a duplicate notice to the service address, unless the utility has verified that the service address is occupied by the customer.
- B. If a water utility's records show that the service location is a master-metered, multi-dwelling service address, the water utility must provide a duplicate of the 7-calendar

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day disconnection notice to each unit at the service address. The disconnection notice must be addressed to "Tenant." The envelope must bear a bold notice stating, "IMPORTANT NOTICE REGARDING DISCONNECTION OF WATER UTILITY SERVICE." Tenant notices may not include the dollar amount owing.

- C. The water utility must notify the Consumer Services Section at least seven calendar days before disconnecting service to a master-metered, multi-dwelling premise.

Time Payment Agreements (OAR 860-036-1420)

Customers who are notified of pending disconnection, due to reasons other than theft of service, tampering, unauthorized use of water, or failure to abide by the terms of a Time Payment Plan, 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.

Disconnection for Failure to Comply With a Time Payment Agreement (OAR 860-036-1510(4)(b))

A time-payment agreement disconnection occurs when a 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 will give the customer a 7- day written notice before the water service may be disconnected.

Rule 29: Disconnection, Reconnection and Field Visit Charge (OAR 860-036-1580)

Disconnection and Reconnection Charges

When service was disconnected pursuant to (OAR 860-036-1500), the Utility may charge the disconnect fee and reconnect fee stated in its tariff prior to reconnecting service.

Field Visit Charge

The Utility may assess a field visit charge whenever the Utility visits a residential 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 is listed in the tariff.

Rule 30: Unauthorized Restoration of Service (OAR 860-036-1590)

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 as provided by OAR 860-036-1510.

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Rule 31: Unauthorized Use (OAR 860-036-1590)

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. If the Utility discovers that a customer tampered with or engaged in unauthorized use of utility property facilities, the Utility shall notify the customer of the violations and may take one or more of the following actions:

- A. Repair or restore the facilities and charge the customer the costs incurred;
- B. Adjust the customer's prior billing for loss of revenue under applicable tariffs or schedule of rates;
- C. Initiate a service disconnection as provided by OAR 860-036-1510;
- D. Require a new application for service that accurately reflects the customer's proposed water use; and
- E. Assess a deposit for restored or continued service.

Rule 32: Interruption of Service (OAR 860-036-1630, -1640)

The Utility may perform an unscheduled interruption of service as necessary to protect the health and safety of its customers or to maintain the integrity of its system. If an unscheduled interruption of service is required, the water utility must:

- A. Make a reasonable effort to notify the customers affected and the Consumer Services Section in advance of the interruption;
- B. Report the unscheduled interruption to the Consumer Services Section at the contact information provided in OAR 860-001-0020(2), and
- C. Restore service as soon as it is reasonably possible after resolving the issue, unless other arrangements are agreed to by the affected customers.

The Utility may schedule water service interruptions for maintenance and repairs in such a manner that reasonably minimizes customer inconvenience. The Utility will provide advance written notice to all customers affected by any scheduled service interruption, and will post the notice in the utility's office and on its website, if available. The notice will include:

- A. The name, mailing address, telephone number, emergency telephone number, and email address or website of the Utility;
- B. The date, time, and estimated duration of the scheduled interruption;
- C. The purpose of the interruption;
- D. A statement cautioning customers to avoid using water during service interruptions to prevent debris in the customers' service lines; and
- E. The contact information for the Consumer Services Section provided in OAR 860 001-0020(2).

{P0416385; 1150.04 TJJ }

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Notices of scheduled interruptions of service must be served by a door hanger or personal delivery to an adult at the affected premises at least five calendar days in advance of the service interruption or by US Mail at least ten calendar days prior to the service interruption. In addition electronic notice must be provided to customers who requested to receive notices electronically.

Rule 33: Water Usage Restrictions (OAR 860-036-1670)

The Utility shall exercise due diligence to furnish a continuous and adequate supply of water to its customers. During times of water shortage, the Utility will equitably apportion its available water supply among its customers with regard to public health and safety. In times of water shortages, the Utility may restrict water usage after providing written notice to its customers and the Consumer Services Section. Notice will also be posted in the Utility's office and on its website, if available. The notification must state the reason and nature of the restrictions, the date restrictions will become effective, the estimated date the restrictions end, and that failure to comply with the restrictions is grounds for disconnection.

If a customer fails to comply with the water restrictions after receiving written notification, the Utility will provide a separate written warning letter to the customer including:

- A. The date;
- B. The name, mailing address, telephone number, emergency telephone number, and email address or website of the Utility;
- C. The customer's name, account number, mailing address, service address if different;
- D. The water use restrictions and statement of how the customer is violating those restrictions;
- E. A statement that the customer's water service is subject to disconnection on or after a specific date;
- F. A warning to the customer that failure to immediately comply with the restrictions may result in disconnection of service; and
- G. A statement that the customer may dispute disconnection by contacting the Consumer Services Section. The notice must include the Consumer Services Section's contact information provided in OAR 860-001-0020(2).

If a customer fails to comply with the water restrictions after receiving written notification and the warning letter, the Utility will consult with the Consumer Services Section to determine if disconnection is appropriate.

{P0416385; 1150.04 TJJ }

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SERVICE QUALITY**Rule 34: Adequacy of Water Service (OAR 860-036-1600)**

The Utility will maintain its facilities according to industry rules, regulations, and standards and in such condition to provide safe, adequate, and continuous service to its customers.

The Utility will not intentionally diminish the quality of service below the level that can reasonably be provided by its facilities.

Rule 35: 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 36: Water Purity (OAR 860-036-1610)

The Utility will provide a domestic water supply that is free from bodily injurious physical elements and disease-producing bacteria and reasonably free from elements that cause physical damage to customer property, including but not limited to pipes, valves, appliances, and personal property.

Rule 37: Water Pressure (OAR 860-036-1650)

The Utility will maintain adequate water pressure. In general, water pressure measuring between 45 and 80 pounds per square inch in the water mains is considered adequate. However, adequate pressure may vary depending on each individual water system.

The Utility may temporarily reduce or increase water pressure for fire flows, noticed repairs and maintenance, scheduled or emergency flushing, and unscheduled or emergency repairs and outages.

Rule 38: Pressure Surveys (OAR 860-036-1650)

The Utility will maintain permanent pressure recording gauges at various locations to measure the system's water pressure, and will have a portable gauge to measure water pressure in any part of the system. The Utility will maintain all pressure gauges in good operating condition, test periodically for accuracy, and recalibrate or replace when necessary.

{P0416385; 1150.04 TJJ }

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Rule 39: Customer-Requested Pressure Test (OAR 860-036-1660)

Upon customer request, the Utility will perform a water pressure test within seven calendar days of the request. The first pressure test in any 12- month period will be at no charge. If the customer requests an additional pressure test within any 12-month period at the same premises, the Utility will assess the customer a charge in accordance with the service charges set forth in Schedule 9 of the tariff. The pressure will be measured at a point adjacent to the meter on the customer service line or other reasonable point most likely to reflect the actual service pressure.

The Utility will provide a written report to the customer within seven calendar days of the pressure test. The report will include:

- A. The name, mailing address, telephone number, emergency telephone number, and email address or website of the Utility;
- B. The customer's name and service address where the pressure was tested;
- C. The date the pressure test was requested and the date the pressure test was performed;
- D. The name of the company or employee performing the test;
- E. The place where the pressure was measured;
- F. The actual pressure reading; and
- G. The conclusion based on the test result.

Rule 40: Utility Line Location (One Call Program)

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 41: Cross Connection/Backflow Prevention Program (OAR 860-036-1680)

All customers must comply with the Utility's Cross Connection Control Program to protect the water system from contamination. A customer's failure to comply is grounds for disconnection under OAR 860-036-1500.

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

{P0416385; 1150.04 TJJ }

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