



Oregon

Theodore R. Kulongoski, Governor

Public Utility Commission

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Administrative Services

(503) 373-7394

December 8, 2006

OREGON PUBLIC UTILITY COMMISSION
ATTENTION: FILING CENTER
PO BOX 2148
SALEM OR 97308-2148

RE: **Docket No. UW 118** - In the Matter of SUNRIVER WATER LLC. Requests for a
General Rate Increase.

Enclosed for electronic filing in the above-captioned docket is the Stipulation
between Staff and SunRiver Water LLC.

/s/ Kay Barnes

Kay Barnes

Regulatory Operations Division

Filing on Behalf of Public Utility Commission Staff

(503) 378-5763

Email: kay.barnes@state.or.us

c: UW 118 Service List (parties)

**PUBLIC UTILITY COMMISSION
OF OREGON**

UW 118

STIPULATION

**Entered into by
Public Utility Commission Staff
And
SunRiver Water LLC**

**SUNRIVER WATER LLC
Request for a General Rate Increase**

December 8, 2006

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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UW 118

In the Matter of)
SUNRIVER WATER LLC) STIPULATION
Request for a General Rate Case.)

Sunriver Water LLC (Sunriver or Company), appearing by and through its attorney, Kevin Fox, and the Public Utility Commission Staff (Staff) appearing by and through its attorney, Jason W. Jones, Assistant Attorney General, enter into this stipulation and that such stipulation resolves all issues in this docket.

1.

The Company agrees not to oppose Staff’s written testimony, exhibits, and tariff sheets from being received into evidence pursuant to this stipulation and that no party is required to lay a foundation for their admission.

2.

Staff and Sunriver (Parties) agree to a total Revenue Requirement of \$1,291,279, total Revenue Reductions of \$1,039,687, and a Net Operating Income of \$251,592 for Sunriver’s residential, commercial, irrigation, flat rate, and private fire protection customers. The Parties also agree that, under the tariff sheets filed in this stipulation, the Company will have the opportunity to earn a 10 percent rate of return on a total residential, commercial, irrigation, flat rate, and private fire protection customer’s Rate Base of \$2,515,916. Attachment A1, Page 1 contains the stipulated revenue requirement for residential, commercial, irrigation, flat rate, and public fire protection customers.

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3.

The Parties agree to a total Revenue Requirement of \$62,978, total Revenue Reductions of \$36,660, and a Net Operating Income of \$26,318 for Sunriver’s Crosswater Golf Course customer. The Parties also agree that, under the tariff sheets filed in this stipulation, the Company will have the opportunity to earn a 10 percent rate of return on a total Crosswater Rate Base of \$263,176. Attachment A2, Page 1 contains the stipulated revenue requirement for Sunriver’s Crosswater customer.

4.

The Parties agree to the stipulated rates, fees, rules and regulation contained in Attachment B, Sunriver’s tariff sheets, PUC Oregon No. 6, Original Sheets No. 1 through 30.

5.

The Company agrees to filing a general rate increase in three years from the date of the final order in UW 118, or when Sunriver has increased its customer base to 4,700 customers, whichever comes first.

6.

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

7.

The Parties recommend that the Commission adopt this stipulation in its entirety. The Parties have negotiated this stipulation as an integrated document. Accordingly, if the Commission rejects all or any material portion of this stipulation, each party reserves

- 1 the right, upon written notice to the Commission and all parties to this proceeding within
- 2 15 days of the date of the Commission's order, to withdraw from the stipulation and
- 3 request an opportunity for the presentation of additional evidence and argument.

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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 6th day of December 2006.

Respectfully submitted,

HARDY MYERS
Attorney General



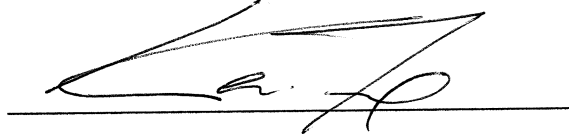
Jason W. Jones, # 00059
Assistant Attorney General
Of Attorneys for PUC Staff

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8.

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 5TH day of December 2006.

A handwritten signature in black ink, appearing to read 'Kevin Fox', is written over a horizontal line.

Kevin Fox
Attorney for Sunriver Water LLC.

Company: Sunriver
Rate Application
Test Year: 2005
Res/Comm/Irr
Using Allocations

Application Non-Allocated Application pages 8 - 11
SR Allocated Exp Attach A
Company Case 58.3% Staff Allocations
Staff Case 42.1% Compare Staff to Sunriver

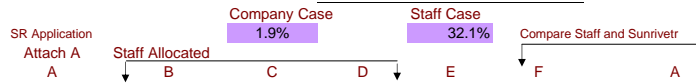
Allocated with Gain based cost

Acct. No.	REVENUES	Application Non-Allocated				Company Case			Staff Case		Sunriver Potable Test Year	Staff Adj
		A	B	C	E	F	G	H	I	J		
		Application Non-Allocated Test Year	Application Non-Allocated Adjustments	Proposed Company Results (A+B=C)	Company Allocated Results	Application Test Year Staff 3-Factor Allocations	Allocated Staff Proposed Adjustments	Allocated Adjusted Results (A+D+E)	Staff Proposed Rev Changes	Proposed Results (G+H+I)		
1	461.1 Residential Water Sales	586,846	371,364	958,210	958,210	586,846	116,581	703,427	268,611	972,038	958,210	
2	461.2 Commercial Water Sales	93,359	52,361	145,720	145,720	93,359	(4,000)	89,359	40,849	130,208	145,720	
3	462.1 Fire Protection	82,671	(73,513)	9,158	9,158	82,671	(80,796)	1,875	2,567	4,442	9,159	\$3,228.20
4	462.2 Irrigation Water Sales	71,299	179,239	250,538	250,538	71,299	43,058	114,357	70,232	184,589	250,538	
5	471 Golf Course Sales			0	0			0	0	0	0	
6	Miscellaneous	27,087	(27,087)	0	0	27,087	(27,087)	0	0	0	0	
7	TOTAL REVENUE	861,262	502,364	1,363,626	1,363,626	861,262	47,756	909,018	382,261	1,291,279	1,363,627	
OPERATING EXPENSES												
		Allocated				Allocated				Staff Adj		
10	601 Salaries and Wages - Employees	275,567	79,186	354,753	352,625	268,699	86,960	355,659		355,659	352,625	Non-allocated
11	603 Salaries and Wages - Officers			0	0	0	0	0		0	0	3-factor
12	604 Employee Pension & Benefits	54,117	43,652	97,769	97,182	52,768	3,596	56,364		56,364	97,182	3-factor
13	610 Purchased Water			0	0	0	0	0		0	0	
14	611 Telephone/Communications	6,241		6,241	6,204	6,238	1,195	7,434		7,434	6,204	Meters
15	615 Purchased Power - Direct	52,210		52,210	46,101	47,644	1,824	49,468		49,468	46,101	Actual
16	618 Chemical / Treatment Expense	1,422		1,422	1,422	1,421	(1,421)	0		0	1,422	Meters
17	619 Office Supplies	7,687		7,687	7,641	7,684	(46)	7,638		7,638	7,641	Meters
18	619.1 Postage	12,580		12,580	12,505	12,574	0	12,574		12,574	12,505	Meters
19	620 O&M Materials/Supplies	24,173		24,173	24,028	24,162	(14,928)	9,234		9,234	24,028	Meters
20	621 Repairs to Water Plant	7,672		7,672	7,309	7,481	(555)	6,926		6,926	7,309	3-factor
21	631 Contract Svcs - Engineering	39,868		39,868	37,985	38,874	(37,463)	1,411		1,411	37,985	3-factor
22	632 Contract Svcs - Accounting	2,658		2,658	2,642	2,657	(2,657)	0		0	2,642	Meters
23	633 Contract Svcs - Legal	128		128	122	125	96	220		220	122	3-factor
24	634 Contract Svcs - Management Fees	121,500	3,645	125,145	124,394	118,472	3,554	122,026		122,026	124,394	3-factor
25	635 Contract Svcs - Testing			0	0	0	3,309	3,309		3,309	0	Direct
26	636 Contract Svcs - Labor	5,420		5,420	5,164	5,285	(5,285)	0		0	5,164	3-factor
27	637 Contract Svcs - Billings/Collections	1,403		1,403	1,395	1,402	(1,402)	0		0	1,395	Meters
28	638 Contract Svcs - E-payments			0	0	0	1,000	1,000		1,000	0	Meters
29	639 Contract Svcs - Other			0	0	0	1,030	1,030		1,030	0	3-Factor
30	641 Rental of Building/Real Property			0	0	0	0	0		0	0	
31	642 Rental of Equipment			0	0	0	0	0		0	0	
32	643 Small Tools			0	0	0	0	0		0	0	
33	648 Computer/Electronic Expenses	3,803		3,803	3,780	3,801	155	3,956		3,956	3,780	Meters
34	650 Transportation	28,145	1,548	29,693	29,515	28,132	148	28,280		28,280	29,515	Meters
35	656 Vehicle Insurance			0	0	0	16,245	16,245		16,245	0	Meters
36	657 General Liability Insurance	64,666		64,666	61,612	64,637	(56,721)	7,915		7,915	61,612	Meters
37	658 Workers' Comp Insurance	26,501	11,209	37,710	37,484	25,841	10,930	36,770		36,770	37,484	3-factor
38	659 Insurance - Other			0	0	0	0	0		0	0	
39	660 Public Relations/Advertising			0	0	0	0	0		0	0	
40	666 Amortz. of Rate Case	12,000		12,000	11,928	11,701	2,166	13,867		13,867	11,928	3-factor
41	667 Gross Revenue Fee (PUC)			0	0	0	0	0	956	956	0	
42	668 Water Resource Conservation			0	0	0	0	0		0	0	
43	670 Bad Debt Expense	882		882	882	882	0	882		882	882	Meters
44	671 Cross Connection Control Program			0	0	0	0	0		0	0	
45	672 System Capacity Dev Program			0	0	0	0	0		0	0	
46	673 Training and Certification	3,028		3,028	3,010	2,953	(1,568)	1,385		1,385	3,010	3-factor
47	674 Consumer Confidence Report			0	0	0	0	0		0	0	
48	675 General Expense			0	0	0	0	0		0	0	
49	TOTAL OPERATING EXPENSE	751,671	139,240	890,911	874,930	733,433	10,159	743,592	956	744,548	874,930	
OTHER REVENUE DEDUCTIONS												
50	403 Depreciation Expense (inc. CWIP)	143,765	8,256	152,021	141,369	143,765	(7,693)	136,072		136,072	141,369	Direct & Plant Allocated
51	407 Amortization Expense			0	0	0	0	0		0	0	
52	408.11 Property Tax - Direct	33,153		33,153	31,587	32,327	8,711	41,038		41,038	31,587	Direct
53	408.12 Payroll Tax			0	0	0	40,187	40,187		40,187	0	3-factor
54	408.13 Other			0	0	0	0	0		0	0	
55	409.11 Oregon Income Tax	8,672	10,374	19,046	18,569	0	(238)	(238)	25,166	24,928	18,569	Calculated
56	409.10 Federal Income Tax	21,657	25,907	47,564	46,373	0	(505)	(505)	53,421	52,915	46,373	Calculated
57	TOTAL REVENUE DEDUCTIONS	958,918	183,777	1,142,695	1,112,828	909,524	50,620	959,189	80,498	1,039,687	1,112,828	
58	NET OPERATING INCOME	(97,656)	318,587	220,931	250,792	151,929	57,137	159,061	302,718	251,592	250,799	
59	101 Utility Plant in Service (inc. CWIP)	3,986,732	111,837	4,098,569	3,818,155	3,986,732	69,533	4,056,265		4,056,265	3,818,155	
60	Less:											
61	108.1 Depreciation Reserve (inc. CWIP)	(1,462,778)	(14,750)	(1,477,528)	(1,382,529)	(1,462,778)	(112,324)	(1,575,102)		(1,575,102)	(1,382,529)	
62	271 Contributions in Aid of Const			0	0	0	0	0		0	0	
63	272 Amortization of CIAC			0	0	0	0	0		0	0	
64	281 Gain on Plant Transfer			0	0	0	79,092	79,092		79,092	0	
65	Net Utility Plant	2,523,954	97,087	2,621,041	2,435,626	2,523,954	(121,884)	2,402,070	0	2,402,070	2,435,626	
66	Plus: (working capital)			2,435,626	2,435,626	0	2,402,070	2,402,070		2,402,070	2,435,626	
67	151 Materials and Supplies Inventory			0	0	0	51,880	51,880		51,880	0	
68	Working Cash (Total Op Exp /12)	62639	11,603	74,242	72,356	61,119	847	61,966		61,966	72,356	
69	TOTAL RATE BASE	2,586,593	108,690	2,695,283	2,507,982	2,585,073	(69,157)	2,515,916	0	2,515,916	2,507,982	
70	Rate of Return	-3.78%		8.20%	10.00%	-1.87%		-2.03%		10.00%		

Sunriver cash flow op exp/cuct/year	\$392,167	\$197	Staff cash flow op exp/cuct/year	\$387,663	\$167	Nonallocated Plant	\$4,333,162	(\$1,669,056)	\$2,664,106	Net Plant
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Allocator	Res/Comm/Irr	Golf
3-factor	97.51%	2.49%
Consump	88.31%	11.69%
Meter	99.96%	0.04%
Plant	95.28%	4.72%

Company:
Rate Application
Test Year:
Golf Course



Acct. No.	REVENUES	Pages 18-20		Company Case		Staff Case		Application Golf Course Sunriver Alloc	Allocator	15-70-15 Res/Comm/Irr	Golf
		Application Golf Course Sunriver Alloc	Balance Per Application Test Year	Proposed Staff Adjustments	Adjusted Results (B+C=D)	Staff Proposed Rev Changes	Staff Results (D+E)=F				
1	461.1 Residential Water Sales	0	0	0	0	0	0	0	3-factor	97.51%	2.49%
2	461.2 Commercial Water Sales	0	0	0	0	0	0	0	Consump	88.31%	11.69%
3	462.1 Fire Protection	0	0	0	0	0	0	0	Meter	99.96%	0.04%
4	462.2 Irrigation Water Sales	0	0	0	0	0	0	0	Plant	95.28%	4.72%
5	471 Golf Course Sales	48,597	48,597	0	48,597	14,380	62,977	48,597			
6	Miscellaneous	0	0	0	0	0	0	0			
7	TOTAL REVENUE	48,597	48,597	0	48,597	14,380	62,977	48,597			
8						14,380					
9	OPERATING EXPENSES										
10	601 Salaries and Wages - Employees	2,129	6,868	2,223	9,091		9,091	2,129	3-factor	\$275,567	89,183
11	603 Salaries and Wages - Officers	0	0	0	0		0	0			
12	604 Employee Pension & Benefits	587	1,349	92	1,441		1,441	587	3-factor	\$54,117	3,688
13	610 Purchased Water	0	0	0	0		0	0			
14	611 Telephone/Communications	37	3	1	3		3	37	Meters	\$6,241	1,196
15	615 Purchased Power - Direct	6,109	6,308	0	6,308		6,308	6,109	Actual		
16	618 Chemical / Treatment Expense	0	1	(1)	0		0	0	Meters	1,422	-1,422
17	619 Office Supplies	46	3	(0)	3		3	46	Meters	7,687	-46
18	619.1 Postage	75	6	0	6		6	75	Meters	12,580	0
19	620 O&M Materials/Supplies	145	11	(7)	4		4	145	Meters	24,173	-14,935
20	621 Repairs to Water Plant	362	191	(14)	177		177	362	3-factor	7,672	-569
21	631 Contract Svcs - Engineering	1,883	994	(958)	36		36	1,883	3-factor	39,868	-38,421
22	632 Contract Svcs - Accounting	16	1	(1)	0		0	16	Meters	2,658	-2,658
23	633 Contract Svcs - Legal	6	3	2	6		6	6	3-factor	128	98
24	634 Contract Svcs - Management Fees	751	3,028	91	3,119		3,119	751	3-factor	121,500	3,645
25	635 Contract Svcs - Testing	0	0	0	0		0	0			3,309
26	636 Contract Svcs - Labor	256	135	(135)	0		0	256	3-factor	5,420	-5,420
27	637 Contract Svcs - Billing/Collections	8	1	(1)	0		0	8	Meters	1,403	-1,403
28	638 Contract Svcs - E-payments	0	0	0	0		0	0	Meters		1,000
29	639 Contract Svcs - Other	0	0	26	26		26	0	3-factor		1,056
30	641 Rental of Building/Real Property	0	0	0	0		0	0			
31	642 Rental of Equipment	0	0	0	0		0	0			
32	643 Small Tools	0	0	0	0		0	0			
33	648 Computer/Electronic Expenses	23	2	0	2		2	23	Meters	3,803	155
34	650 Transportation	178	13	0	13		13	178	Meters	28,145	148
35	656 Vehicle Insurance	0	0	7	7		7	0	Meters		16,252
36	657 General Liability Insurance	3,054	29	(26)	4		4	3,054	Meters	64,666	-56,747
37	658 Workers' Comp Insurance	226	660	279	940		940	226	3-factor	26,501	11,209
38	659 Insurance - Other	0	0	0	0		0	0			
39	660 Public Relations/Advertising	0	0	0	0		0	0			
40	666 Amortz. of Rate Case	72	299	55	354		354	72	3-factor	12,000	2,221
41	667 Gross Revenue Fee (PUC)	0	0	0	0		36	36	Calculated		
42	668 Water Resource Conservation	0	0	0	0		0	0			
43	670 Bad Debt Expense	0	0	0	0		0	0	Meters	882	
44	671 Cross Connection Control Program	0	0	0	0		0	0			
45	672 System Capacity Dev Program	0	0	0	0		0	0			
46	673 Training and Certification	18	75	(40)	35		35	18	3-factor	3,028	-1,608
47	674 Consumer Confidence Report	0	0	0	0		0	0			
48	675 General Expense	0	0	0	0		0	0			
49	TOTAL OPERATING EXPENSE	15,981	19,980	1,596	21,576		36	21,612			
50	OTHER REVENUE DEDUCTIONS										
50	403 Depreciation Expense	8,673	8,673	1,571	10,244		10,244	8,673			Direct & Plant Allocated
51	407 Amortization Expense	0	0	0	0		0	0			
52	408.11 Property Tax - Direct	1,566	18	0	18		18	1,566	Direct		
53	408.12 Payroll Tax	0	0	1,027	1,027		1,027	0	3-factor	41,214	
54	408.13 Other	0	0	0	0		0	0			
55	409.11 Oregon Income Tax	477	477	(277)	200	947	1,147	477	Calculated		
56	409.10 Federal Income Tax	1,190	1,190	(588)	602	2,010	2,612	1,190	Calculated		
57	TOTAL REVENUE DEDUCTIONS	27,887	30,338	3,329	33,668	2,992	36,660	27,887			
58	NET OPERATING INCOME	20,710	18,259	(3,329)	14,929	11,388	26,318	20,710			
59	101 Utility Plant in Service (Inc. CWIP)	280,415	276,237	(4,178)	276,237		276,237	280,415	Actual		
60	Less:										
61	108.1 Depreciation Reserve (Inc. CWIP)	(94,999)	(92,321)	1,048	(93,951)		(93,951)	(94,999)	Actual		
62	271 Contributions in Aid of Const							0			
63	272 Amortization of CIAC							0			
64	281 Add Gain on Plant Transfer			79,092	79,092		79,092				
65	Net Utility Plant	185,416	183,916	75,962	261,378	0	261,378	185,416			
66	Plus: (working capital)						261,378				
67	151 Materials and Supplies Inventory		0				0				
68	Working Cash (Total Op Exp /12)	1,886	1,665	133	1,798		1,798	1,886			
69	TOTAL RATE BASE	187,302	185,581	76,095	263,176	0	263,176	187,302			
70	Rate of Return	11.06%	9.84%					11.06%			

TARIFFS
Containing Rules and Regulations
Governing Water Service

NAMING RATES FOR

SUNRIVER WATER LLC
PO BOX 3699
SUNRIVER OR 97707
(541) 593-4458

Serving water in the vicinity of
Sunriver, Oregon

Issue Date		Effective Date	January 1, 2007
Issued By	SUNRIVER WATER LLC		

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Issue Date		Effective Date	January 1, 2007
Issued By	SUNRIVER WATER LLC		

SCHEDULE NO. 1

RESIDENTIAL/COMMERCIAL METERED RATES

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

Applicable: To residential and commercial customers/premises.

Base Rate

Service Meter Size	Monthly Base Rate	Usage Allowance
¾ inch	\$9.28	None
1 inch	\$23.20	None
1 ½ inch	\$46.40	None
2 inch	\$74.24	None
3 inch	\$139.20	None
6 inch	\$464.02	None

Commodity Rate

Commodity Rate	Per	Number of Units	Unit of Measure
\$1.05	Per	1000	Gallons

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 27 Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at the specified rates for the amounts so estimated.

Issue Date		Effective Date	January 1, 2007
Issued By	SUNRIVER WATER LLC		

SCHEDULE NO. 2
RESIDENTIAL FLAT RATES

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

Applicable: To nonmetered residential premises.

Flat Rate

Service Line Size	Monthly Flat Rate	Consumption
Condo	\$16.75	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. 27, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered when possible. Charges shall be made at the rates specified Schedule No. 1, Residential/Commercial Metered Rates. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at the specified rates for the amounts so estimated.

Issue Date		Effective Date	January 1, 2007
Issued By	SUNRIVER WATER LLC		

SCHEDULE NO. 3
IRRIGATION METERED RATES

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

Applicable: To irrigation customers (excluding Golf Courses).

Base Rate

Service Meter Size	Monthly Base Rate	Usage Allowance
¾ inch	\$9.28	None
1 inch	\$23.20	None
1 ½ inch	\$46.40	None
2 inch	\$74.24	None
3 inch	\$139.20	None

Commodity Rate

Commodity Rate	Per	Number of Units	Unit of Measure
\$0.82	Per	1000	Gallons

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 27 Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in Schedule No. 1. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at the specified rates for the amounts so estimated.

Issue Date		Effective Date	January 1, 2007
Issued By	SUNRIVER WATER LLC		

SCHEDULE NO. 4

CROSSWATER GOLF COURSE METERED IRRIGATION RATES

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

Applicable: To Crosswater Golf Course.

Base Rate

Service Meter Size	Monthly Base Rate	Usage Allowance
3 inch	\$1,799.36	None

Commodity Rate

Commodity Rate	Per	Number of Units	Unit of Measure
\$0.56	Per	1000	Gallons

Special Provisions:

1. These rates are for Crosswater Golf Course only. They are based on 7 month service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 27 Voluntary Discontinuance.
2. Water from Well No.12 used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule.
3. Other water used during the construction of buildings, etc., shall be metered and charges shall be made at the rates specified in Schedule 1. When setting a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at the specified rates for the amounts so estimated.

Issue Date		Effective Date	January 1, 2007
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SCHEDULE NO. 5
FIRE PROTECTION RATES

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

Applicable: To residential and commercial premises.

FIRE PROTECTION RATES

Service Meter Size	Monthly Rate
¾ inch	N/A
1 inch	N/A
1 ½ inch	N/A
2 inch	\$5.63
3 inch	\$9.22
4 inch	\$14.78
6 inch	\$22.39
8 inch	\$37.24

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 27 Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in Schedule 1. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at the specified rates for the amounts so estimated.

Issue Date		Effective Date	January 1, 2007
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SCHEDULE NO. 6

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 No. 9)

Standard ¾-inch service	\$450.00
Nonstandard ¾ inch service	At cost
Larger than ¾-inch	\$450.00 (plus additional costs)
Irrigation hookup (if provided on separate system)	\$450.00
Fire Connection hookup	\$450.00 (plus additional costs)

Reading Submeters and Preparing Memo Bills (Rule No. 23) \$4.30

Meter Test (Rule No. 21)

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

Pressure Test (Rule No. 41)

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

Late-Payment Charge (Rule No. 22)

Charged on amounts more than 30 days past due	Pursuant to OAR 860-036-0050 As of 1/1/06 – 1.7 %
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Deposit for Service (Rule No. 5)

Pursuant to OAR 860-036-0040(2)	Pursuant to OAR 860-036-0050 (as of 11/28/06 – 5%)
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Returned-Check Charge (Rule No. 24)

\$25 each occurrence

Trouble-Call Charge (Rule No. 37)

During normal office hours	\$30 per hour
After normal office hours on special request	\$40 per hour

Disconnection & Reconnection Charge (Rule Nos. 29 & 30)

During normal office hours	\$30 per hour
After normal office hours on special request	\$40 per hour

Unauthorized Restoration of Service (Rule No. 31)

Reconnection charge plus costs

Damage/Tampering Charge (Rule No. 35)

At cost

Disconnect-Visit Charge (Rule No. 30)

During normal office hours	\$30 per hour
After normal office hours on special request	\$40 per hour

Issue Date		Effective Date	January 1, 2007
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SCHEDULE NO. 7

BACKFLOW PREVENTION DEVICE SERVICES FEES

PURPOSE: Sunriver Water LLC desires to offer backflow prevention device services to customers who own backflow prevention devices.

AVAILABLE: To customers of: Sunriver Water LLC in Sunriver, Oregon and vicinity.

APPLICABLE: To residential and commercial/industrial and irrigation premises with backflow prevention assemblies.

PROGRAM DESCRIPTION: Service plans include:

1. Testing Services: Upon customer request, Sunriver Water LLC will provide the required annual backflow prevention device testing by a state certified tester pursuant to Oregon Administrative Rules 333-061-0070 through OAR 333-061-0072.
2. Maintenance and Repair Service: Sunriver Water LLC will provide maintenance and repairs on the customer-owned backflow prevention assemblies upon customer approval and at the customers' expense. Maintenance does not include the startup, blow out or freeze protection of the assemblies. Replacement of backflow prevention assemblies is the responsibility of the customers.

BILLING RATES

1. Backflow Prevention Assembly Test Fee: \$40.00 per test.
2. Repair and Maintenance Fee: \$40.00 per hour plus any additional costs.

SPECIAL PROVISIONS

General

1. The customer is under no obligation to use the Company's backflow protection device testing services.
2. The customer can choose any qualified company or individual to test his/her backflow prevention device.

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SCHEDULE NO. 7

BACKFLOW PREVENTION DEVICE SERVICES FEES CONTINUED

3. Customers who choose to use the Company's backflow prevention services must sign the written authorization notifying the Company of that election and return it to the Company. To receive the Company's backflow prevention device service, the customer must sign an agreement for the service and payment plan requested. By signing the agreement, the customer is giving the Company permission to perform work on the customer-owned backflow prevention device(s).
4. The Company reserves the right to propose before the OPUC any change in the amount charged for the backflow prevention device testing, maintenance, and repair services.
5. Customers will be given the choice of accepting or rejecting a new agreement in advance of any rate increase.
6. The Company will separately itemize the backflow prevention device service fee on customer bills.

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RULES AND REGULATIONS

Rule 1: Jurisdiction of the Commission

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

Rule 2: Definitions

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

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APPLICATION FOR SERVICE

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

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

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

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

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

An application for water service must be made where:

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

Rule 5: Deposit for Service (OAR 860-036-0040)

In accordance with the Commission's rules for credit establishment and deposit waiver, an applicant or a customer 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)

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The utility shall pay interest on deposits at the rate established by the Commission. After the customer has paid bills for service for 12 consecutive months without having had service discontinued for nonpayment, or 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 issuing the customer a refund check.

Rule 6: Customer Service Line

The customer shall own and maintain the customer service line and promptly repair all breaks and leaks. 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 utility shall furnish and install at its own expense all necessary trenching, pipe, valves, and fittings between its main line and the customer's service line. Such installation shall be designated as the service connection. 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 service lines or any portion of the utility's plumbing.

Rule 9: Service Connection Charge

An applicant requesting permanent water service to premises not previously supplied with permanent water service by the utility shall be required to pay the service connection charge listed in the utility's Miscellaneous Service Charges Schedule.

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.

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Rule 11: Main Line Advances and Refunds Policy

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

For a period of five years after construction of the requested main line extension, the utility shall also collect from any additional applicants whose service connections or service lines shall connect to said 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

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

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

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

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

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

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REFUSAL OF SERVICE

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

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

- A. An overdue amount remains outstanding by a customer at the service address;
- 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)

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

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

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

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

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

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

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

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METERS

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

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

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

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

Each customer shall provide the utility with regular access to the meter on the customer's property. Failure to permit access at reasonable times and after reasonable notice by the utility requesting access is grounds for disconnection. (OAR 860-036-0120) Should damage result to the meter from molesting, tampering, or willful neglect on the part of the customer, the utility shall repair or replace the meter and may bill the customer for the reasonable cost. (OAR 860-036-0105(6))

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

The meter shall be tested prior to or within 30 (thirty) days of installation to determine it is accurate to register not more than 2 percent error. No meter shall be allowed to remain in service if it registers an error in excess of 2 percent 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 such request at no cost to the customer. The customer has the right to be present during said 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;

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- D. Meter identification number;
- E. Date of actual test; and
- F. Test results.

If a customer requests a meter test more often than once in any 12-month period, the deposit 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 under conditions of normal operation, the utility shall refund the deposit to the customer.

BILLING

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

Bills are due and payable when rendered by deposit in the mail or other reasonable means of delivery. As near as practical, **meters shall be read at monthly intervals** on the corresponding day of each meter reading or billing period. The bill shall be rendered immediately thereafter. (OAR 860-036-0120(3) requires water utilities to bill at monthly intervals. A utility may request upon application special authority by the Commission to bill at intervals other than monthly.)

The utility shall make reasonable efforts 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.

The late-payment charge determined by the Commission and listed on the Miscellaneous Service Charges Schedule shall be applied to all overdue balances at the time of preparing the subsequent months' bill or balances owing that are 30 days old.

All bills become delinquent if not paid within 15 days of the date of transmittal of the bill. (OAR 860-036-0125 requires a minimum of 15 days.) If permitted to become delinquent, water service may be terminated after proper notice as provided in Rule 29, Disconnection/Reconnection Visit Charge.

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.

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Rule 23: Master Meter with Memo Bill

A customer under special agreement with Sunriver Water LLC may be metered with a master meter. The master meter customer will be responsible for total payment of the master meter water bill.

Sunriver Water LLC will read the sub meters and send memo bills to the master meter customer and sub-metered tenants. Memo bills are not official bills from the utility. A memo bill shows the sub-metered tenants' individual water consumption and Sunriver Water LLC's applicable rate for use by the master meter customer when collecting payments from sub-metered tenants.

The total aggregate monthly base charges of all sub-metered accounts shall not exceed the total aggregate monthly base charge of the master meter serving sub-metered accounts. There will be a monthly charge for readying and preparing a memo bill for each sub-meter as indicated in Schedule No. 5. This monthly charge will be the responsibility of the master meter customer.

Rule 24: Returned-Check Charge

The returned-check charge listed on the Miscellaneous Service Charges Schedule shall be billed for each occasion a customer submits a check for payment that is not honored, for any reason, by a bank or other financial institution.

Rule 25: 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, the meter will be read upon opening and closing a customer's account. Consumption will be charged at scheduled rates. Any minimum monthly charge will be prorated.

Rule 26: 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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DISCONNECTION OF WATER SERVICE

Rule 27: Voluntary Discontinuance (OAR 860-036-0210)

Except for emergencies, customers who (for any reason) wish to have service discontinued shall provide the utility with at least five days' advance notice of the requested date of discontinuance of service. Until the utility receives such notice, the customer shall be held responsible for all service rendered. Should the customer wish to recommence service within 12 months at the same premises, the customer will be required to pay the customary minimum monthly charge as if service had been continuous. The reconnection charge listed on the Miscellaneous Service Charges Schedule will be applicable at the time of reconnection.

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

The utility may terminate service in emergencies when life or property is endangered without following the procedures set forth in OAR 860-036-0245. Immediately thereafter, the utility will notify the customer and the Commission. When the emergency termination was through no fault of the customer, there shall be no charge made for restoration of service.

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

When a customer fails to comply with the utility's rules and regulations, or permits a bill or charge for regulated services to become delinquent (except for nonpayment of a time-payment agreement*), the utility shall give at least five days' written notice before water 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 water utility expects 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 provide notice and make that documentation available to the customer upon request.

Service shall not be shut off for nonemergencies on a Friday or the day of a state- or utility-recognized holiday or the day prior to such holiday. (OAR 860-036-0220)

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The utility shall not disconnect residential service due to the failure to pay or meet obligations associated with nonresidential service. (OAR 860-036-0225)

A water utility may not disconnect residential service for nonpayment if a customer enters into a written time-payment plan. The utility will offer such customers a choice of payment agreements between a levelized-payment plan and an equal-pay arrearage plan or some other mutually agreeable alternate payment arrangement agreed to in writing. (OAR 860-036-0125)

*When a customer fails to comply with the terms of a written time-payment agreement between the customer, and/or the utility permits a time-payment agreement charge to become delinquent, the utility shall give at least 15 days' written notice before the water may be shut off.

Rule 30: Reconnection Charge and Disconnection Visit Charge (OAR 860-036-0080 and 0245(7))

Service shall not be restored until the utility's rules and regulations are complied with and/or payment is made in the amount overdue and any additional disconnection, reconnection, or disconnection visit charges incurred as listed on the Miscellaneous Service Charges Schedule are paid.

Rule 31: Unauthorized Restoration of Service

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

Rule 32: Unauthorized Use

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

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

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

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

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

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

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

Rule 35: Damages/Tampering

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

SERVICE QUALITY

Rule 36: System Maintenance (OAR 860-036-0305)

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

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

Rule 37: Trouble Call

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

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

The utility shall deliver water for domestic purposes free from bodily injurious physical elements and disease-producing bacteria and shall cause such tests to be made and precautions taken as will ensure the constant purity of its supply.

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The utility shall keep a record of all water quality testings, results, monitoring, and reports.

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

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

Each water utility shall maintain pressure at a minimum of 20 pounds per square inch (psi) for health reasons to each customer at all times and not exceed a maximum of 125 psi. The 20 psi and 125 psi standards are not presumed to be adequate service and do not restrict the authority of the Commission to require improvements where water pressure or flow is inadequate.

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

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

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

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

Upon customer request, the utility will perform a water pressure test within 20 working days of the request at no cost to the customer. 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 or more than 125 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 nonmetered service, the pressure will be tested at the customer's service line or hose bibb or other reasonable point likely to best reflect the actual service pressure.

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

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

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

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

Rule 44: Cross Connection Control Program

Pursuant to chapter 333, Division 61 of the Oregon Administrative Rules, it is the responsibility of Sunriver Water LLC to protect its drinking water by instituting and enforcing a cross connection program. Therefore, the following regulations are hereby adopted:

Contents

1. Definition
2. Purpose
3. Cross Connections Regulated
4. Backflow Prevention Device Requirements
5. Installation Requirements & Instructions Irrigation
6. Installation Requirements & Instructions Commercial
7. Installation Requirements & Instructions Sprinklers
8. Installation Requirements & Instructions Hot Tubs
9. Access to Premises
10. Annual Testing & Repair
11. Variances
12. Cost of Compliance
13. Termination of Services
14. Constitutionality and Saving Clause

1. Definitions

- 1.A “Cross Connection” means any physical arrangement where a public water system is connected, directly or indirectly, with any other non-drinkable water system or auxiliary system, sewer, drain conduit, swimming pool, storage reservoir, plumbing fixtures, irrigation systems, hot tubs, solar systems, fire sprinkler system or other liquid of unknown or unsafe quality which may be capable of imparting contamination to the public water system as a result of backflow. Bypass arrangements, jumper connections, removable sections, swivel or change over devices, or other temporary or permanent devices through which, or because of which backflow may occur are considered to be cross connections.
- 1.B “Backflow” means the flow in the direction opposite to the normal flow or the introduction of any foreign liquids, gases, or substances into the water system of Sunriver Water LLC
- 1.C “Auxiliary Supply” means any water source or system other than the public water system that may be available in the building or on the premises.
- 1.D “Approved Backflow Prevention Device” means a device to counteract backpressure or prevent siphonage. This device must appear in the list of approved devices issued by the Oregon State Health Division.

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- 1.E “Reduced Pressure Principle Device” (RPBD) shall mean an assembly containing two independently acting approved check valves together with a hydraulically-operated mechanically independent pressure differential relief valve located between the check valves and at the same time below the first check valve. The device shall include properly located test cocks and tightly closing shut-off valves at the end of the assembly. A check valve is approved if it appears on the list of approved devices issued by the Oregon State Health Division.
- 1.F “Premises” means any piece of land to which water is provided including all structures, improvements, and additions.

2. Purpose

The purpose of these regulations is to protect the water supply of Sunriver Water LLC from contamination or pollution due to any existing or potential cross connection.

No cross connections shall be created, installed, used, or maintained within the territory served by Sunriver Water LLC except in accordance with these regulations.

3. Cross Connections Regulations

Approved backflow prevention devices shall be installed at the expense of the user, either at the service connection or within the premises, as determined by a certified cross connection inspector employed by Sunriver Water LLC in each of the following Circumstances:

4. Backflow Prevention Device Requirements

- 4.A When the nature and extent of any activity of the premises, or the materials used in connection with any activity of the premises , or materials stored on the premises, could contaminate or pollute the drinking water supply.
- 4.B When a premise has one or more cross connections as that term is defined in section 1.A, paragraph 2.
- 4.C When internal cross connections are not correctable, or intricate plumbing arrangements have been made it impractical to ascertain whether or not cross connection exists.
- 4.D When there is a repeated history of cross connections being established or re-established.
- 4.E When there is unduly restricted entry so that inspections for cross connections cannot be made with sufficient frequency or with sufficient notice to assure that cross connections do not exist.
- 4.F When materials of a toxic or hazardous nature are being used such that, if back siphonage should occur, a health hazard could result.
- 4.G When there is any mobile apparatus which uses Sunriver Water LLC system or water from any premises within the system.

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- 4.H When there is a premise where installation of an approved backflow prevention device is deemed to be necessary to accomplish the purpose of these regulations in the judgment of a certified cross connection specialist employed by Sunriver Water LLC
- 4.I When an appropriate cross connection report form has not been filed with the office of Sunriver Water LLC for the particular premise.

15. **5. Installation Requirements & Instructions for Irrigation**

To ensure proper operation and accessibility of all backflow prevention devices, the following requirements shall apply to the installation of these devices.

- 5.A Prior to the installation of ANY TYPE of irrigation system on property served by Sunriver Water LLC a set of plans, prints, drawings, or diagram of the system must be submitted to Sunriver Water LLC. The plans shall include location of system (street and lot number), owners name and address, layout of system, size and description of backflow device. This irrigation plan will be reviewed and kept on file at Sunriver Water LLC

Within ten (10) working days Sunriver Water LLC will return to the submitter initialed plan approval or required changes, and a copy of Sunriver Water LLC backflow device installation requirements.

Sunriver Water LLC requires that the minimum backflow prevention on an irrigation system will be the installation of an approved Double Check Valve Assembly.

- 5.B The following are Sunriver Water LLC requirements for the installation and approval of a Double Check Valve Assembly on all irrigation systems:

In order for a backflow prevention device to be approved by Sunriver Water LLC, we have depended upon the Foundation for Cross Connection Control and Hydraulic Research at the University of California to provide us with a list of devices that has passed its stringent test procedure.

All devices installed after September 1, 1986, must be State of Oregon approved and have resilient seated gate valves or fully ported ball valves. These valves are to be an integral part of the device assembly as sold by the local distributor. Lists of approved devices are available at Sunriver Water LLC office.

- 5.C Double Check Valve Assembly (DCVA) Installation

The DCVA shall be installed with adequate space to facilitate maintenance and testing. It shall be inspected and tested after installation to insure its satisfactory operation and proper installation. The DCVA must be tested by a certified state tester, at time of installation.

Care must be used to insure that the DCVA is not installed where the pressure will be maintained above the device's rated and labeled capacity.

Pit or below grade installation of a DCVA must have a 6" gravel bed for pit drainage and pipe plug must be installed in test cock tapings to lessen the danger of cross connects if the device becomes submerged.

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The DCVA must be protected from freezing but must facilitate testing and maintenance. There shall be no connections installed between DCVA and source of supply for the purpose of draining. Thoroughly flush the lines prior to installation of the DCVA.

Owner or representative must call for an inspection by Sunriver Water LLC. Backflow device installation service line and all premise plumbing to the DCVA must be exposed on visual inspection. Water service will not be turned on until final approval is granted, following the acceptance of the DCVA installation and receipt of certified test results.

- 5.D Prior to backfill, this installation must be inspected between the DCVA and the source of supply by Sunriver Water LLC. Inspection will be made by Sunriver Water LLC within two (2) working days of notice to inspect.

IMPORTANT: Failure to notify Sunriver Water LLC prior to backfill will result in re-excavation of the device and point of connection to facilitate inspection.

- 5.E Final approval shall be granted following the acceptance of the installation and receipt of certified tester results.

- 5.F All devices must be tested annually at the beginning of the irrigation season.

NOTE: The installation of a backflow prevention device on the water service line will eliminate the thermal expansion of hot water into distribution system. Therefore, Sunriver Water LLC hereby notifies the water user that it is the water users' responsibility to maintain temperature pressure relief valves within the premise plumbing.

6. Installation Requirements & Instructions for Commercial

- 6.A Prior to installation of any commercial water service (any service other than residential) in Sunriver Water LLC service area, a set of plans, prints, drawings, or diagrams of the system must be submitted to Sunriver Water LLC.

The plans shall include location of buildings, irrigation systems and landscaping, street address, owners name and mailing address, plumbing and mechanical plans, size of service line and description of intended use of property. This plan will be reviewed and kept in file at Sunriver Water LLC.

Within ten (10) working days Sunriver Water LLC will return to the submitter initial plans approved. The approval notice will include type of backflow device required (minimum requirement double check valve assembly) a copy of Sunriver Water LLC backflow device installation requirements and a list of local state certified backflow device testers.

- 6.B The following are Sunriver Water LLC requirements for the installation and approval of Double Check Valve Assembly in all commercial services:

- B.1 All devices installed after September 1, 1986 must be State of Oregon approved and have resilient seated gate valves or fully ported ball valves. These valves are to be an integral part if

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the device assembly as sold by the local distributor. Lists of approved devices are available at Sunriver Water LLC.

B.2 Double Check Valve Assembly (DCVA) Installation.

The DCVA shall be installed with adequate space to facilitate maintenance and testing. It shall be inspected and tested after installation to insure its satisfactory operation and proper installation. The DCVA must be tested by a certified state tester, at the time of installation.

Care must be used to insure that the DCVA is not installed where the pressure will be maintained above the devices rated and labeled capacity.

Pit or below grade installations of a DCVA must have a 6" gravel bed for pit drainage and pipe plugs must be installed in test cock tapings to lessen the danger of cross connects if the device becomes submerged.

The DCVA must be protected from freezing but must facilitate testing and maintenance. There shall be no connections installed between DCVA and source of supply for the purpose of draining.

Thoroughly flush the lines prior to installation if the DCVA..

Owner or representative must call for an inspection by Sunriver Water LLC. Backflow device(s) installation service line and all premise plumbing to the DVCA must be exposed in visual inspection.

Water service will not be turned on until final approval is granted, following the acceptance of the DCVA installation and receipt of certified test results.

All devices must be tested annually by a state certified backflow device tester and a completed test report submitted to Sunriver Water LLC.

NOTE: The installation of a backflow prevention device on the water service line will eliminate the thermal expansion of hot water into distribution system. Therefore, Sunriver Water LLC hereby notifies the water user that it is the water users' responsibility to maintain temperature pressure relief valves within the premise plumbing.

7. Installation Requirements & Instructions for Fire Sprinklers Systems

7.A Pursuant to chapter 333-61-070 (6) (b) of the Oregon State Health Division Administrative Rules an approved Double Check Valve Assembly (DCVA) shall be the minimum backflow protection for fire sprinkler systems.

7.B Installation requirements for DCVA on fire sprinkler systems are as follows:

B.1 DCVAs may be installed vertically as well as horizontally provided that the device assembly: Is internally spring loaded – not weighted checks.

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Is 4 inches or smaller.
Is recommended by the manufacturer for vertical installation.
Has the normal flow upward.

- B.2 DCVAs may be installed below grade in a vault provided plugs are installed in the test cocks. Maximum height of installation shall not exceed 5 feet for device assemblies larger than 2 inches unless there is a permanently installed platform meeting Occupations Safety and Health (OSHA) standards to facilitate servicing the device.
- B.3 Clearances for device assemblies 2 inches or smaller must provide that they are accessible for testing and repairing. Adequate drainage must be provided except that drains shall not be connected to a sanitary or storm water drain.
- 7.C. When intricate plumbing arrangements exist that make it impractical to ascertain water usage or consumption, Sunriver Water LLC may require that installation of an approved Double Detector Check Valve Assembly.
- 7.D Prior to established water service to the fire sprinkler system, Sunriver Water LLC must inspect and approve the device installation.
- 7.E Prior to established water service to the fire sprinkler system the backflow prevention device must be tested by a certified tester and a test report form filed at the Sunriver Water LLC office.
- 7.F All backflow prevention devices installed on fire sprinkler systems must be tested annually by a certified tester. A complete test report form must be submitted to Sunriver Water LLC.
- 7.G Fire sprinkler systems that incorporate an anti-freeze loop containing any type of chemicals shall have an approved reduced pressure principle backflow device (RPBD) installed in the anti-freeze loop.
- 7.H Installation requirements for RPBDs on hot tubs are as follows:
 - H.1 Prods shall always be installed horizontally, never vertically.
 - H.2 Prods shall always be installed above the 100 yr (1%) flood level.
 - H.3 Relief valves shall never be extended or plugged.
 - H.4 Protection from freezing shall be provided.
 - H.5 A provision for an air gapped drain shall be provided.
 - H.6 Prods shall not be installed in an enclosed vault or box unless a bore-sighted drain to daylight is provided.

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8. Installation Requirements & Instructions for Hot Tubs

- 8.A. Pursuant to chapter 333-61-070 of the Oregon State Health Division Administrative Rules Sunriver Water LLC requires that the minimum backflow protection for any service connection that has a hot tub or spa will be an approved Double Check Valve Assembly (DCVA).
- 8.B. The backflow prevention device shall be installed at the expense of the user either at the service connection or within the premises by a certified connection inspector employed by Sunriver Water LLC.
- 8.C. The DCVA shall be installed with adequate space to facilitate maintenance and testing. It shall be inspected and tested after installation to insure its satisfactory operation and proper installation. The DCVA must be tested by a certified tester.
 - C.1 The DCVA shall be:
 - Installed with adequate space to facilitate maintenance and testing.
 - Inspected and tested after installation to ensure its satisfactory operation and proper installation.
 - Tested by a certified tester.
 - C.2 Care must be used to insure that the DCVA is not installed where the pressure will be maintained above the devices rated and labeled capacity.
 - C.3 Pit or below grade installations of a DCVA must have a 6" gravel bed for pit drainage and pipe plugs must be installed in test cock tapings to lessen the danger of cross connects if the device becomes submerged.
 - C.4 The DCVA must be protected from freezing, but must facilitate testing and maintenance. There shall be no connections installed between DCVA and source of supply for purpose of draining.
 - C.5 Thoroughly flush the lines prior to installation of the DCVA.
 - C.6 Owner or representative must call for an inspection by Sunriver Environmental LLC/Sunriver Water LLC. Backflow device installation service line and all premise plumbing to the DCVA must be exposed on visual inspection.
 - C.7 Water service will not be turned in until final approval is granted, following the acceptance of the DCVA installation and receipt of certified test results.
 - C.8 All devices must be tested annually by a state certified backflow device tester and a completed test report must be submitted to Sunriver Water LLC.

NOTE: The installation of a backflow prevention device on the water service line will eliminate the thermal expansion of hot water into distribution system. Therefore, Sunriver Water LLC hereby notifies the water user that it is the water users' responsibility to maintain temperature pressure relief valves within the premise plumbing.

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9. Access to Premises

Authorized employees of Sunriver Water LLC, with proper identification, shall have access during reasonable hours to all parts of premise and within the building to which water is supplied. However, if any water user refuses access to a premise or to the interior of a structure at reasonable times and on reasonable notice for inspection by a cross connection specialist appointed by Sunriver Water LLC, a reduced pressure principle device will be required to be installed at the service connection to that premise or service must be discontinued.

10. Annual Testing and Repair

All backflow devices installed within the territory served by Sunriver Water LLC shall be tested immediately upon installation and annually thereafter by a state certified tester. All devices found not functioning properly shall be promptly repaired or replaced by the water user. If any such device is not promptly repaired or replaced, Sunriver Water LLC may deny or discontinue water to the premise. All testing and repairs are the financial responsibility of the water user.

11. Variances

Any variances from these requirements shall be requested in writing by the owner and approved by Sunriver Water LLC prior to device installation.

12. Cost of Compliance

All cost associated with purchase, installation, inspections, testing, replacement, maintenance, parts, and repairs of the backflow device are the responsibility of the water user.

13. Termination of Service

Failure on the part of any customer to discontinue the use of all cross connections and to physically separate cross connections is sufficient cause for immediate discontinuance of public water service to the premise. (OAR chapter 333-061-070, section 1)

14. Constitutionality and Saving Clause

That if any provision, section, sentence, clause or phrase of this ordinance or the application of same to any person or set of circumstances are for any reason held to be unconstitutional, void, invalid or for any reason unenforceable, the validity of the remaining portions of this ordinance or its application to other persons or circumstances shall not be affected thereby it being the intent of Sunriver Water LLC that in adopting and approving this resolution that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality or invalidity of any other portion, provision, or regulation.

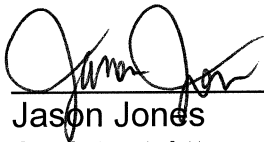
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CERTIFICATE OF SERVICE

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I certify that I have this day served the foregoing document upon all parties of record in this proceeding by delivering a copy in person or by mailing a copy properly addressed with first class postage prepaid, or by electronic mail pursuant to OAR 860-13-0070, to the following parties or attorneys of parties.

Dated at Salem, Oregon, this 8th day of December, 2006.



Jason Jones
Assistant Attorney General
Of Attorneys for Public Utility Commission's Staff
1162 Court Street NE
Salem, Oregon 97301-4096
Telephone: (503) 378-6322

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Service List (Parties)**

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