



AVION WATER CO INC.

60813 Parrell Rd • Bend, OR 97702 •

Ph: 541-382-5342 • fax: 541-382-5390 • Email: avion@avionwater.com

October 8, 2018

Advice Letter No. 18-05-01

Filing Center
Oregon Public Utility Commission
201 High St SE
Salem, OR 97301

RE: West Pilot Butte Airport Tariff – System Impact Fee

Avion Water Company submitted Advice 18-05 (West Pilot Butte Airport Tariff – System Impact Fee) to the Public Utility Commission on 9/25/18. Based upon feedback from staff, the accompanying revision is submitted. A revised effective date of 11/8/18 has been noted based upon staff's request. Additional changes to the revised submission are housekeeping changes, including updating the table of contents, and renumbering the pages to allow room for schedules approved since our last rate case and future schedules. An editorial change to Schedule 15 that has previously been discussed with staff was also made to clarify treatment of in-scope work performed by developers who are not eligible for Schedule 15.

Please direct any questions or notifications of action taken on this filing to Adam Jackson at (541) 382-5342 or adam@avionwater.com.

Sincerely,

Adam Jackson

TABLE OF CONTENTS

<u>Schedule No.</u>		<u>Page No.</u>
	Title Page	1
	Index	2
1	Residential & Commercial Metered Rates	3
2	Irrigation Delivery Rates	4
3	Miscellaneous Service Charges	5
4	Fire Service Rates	7
5	Commercial Water Haulers	8
6	Equal Payment Plan	9
7	AWWA Multiplier	10
8	CIAC Tax Fee	11
9	Commodity Power Cost Adjustment	12
10	Cross Connection Prevention Program	14
11	Deschutes River Restoration Tariff	16
12	Woodriver Village Tariff	17
13	Nottingham Irrigation Customers	19
14	Interruptible Large Irrigation Customers	20
15	West Pilot Butte Airport Tariff – System Impact Fee	21
16	Reserved for Future Use	24-35

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

SCHEDULE NO. 1

RESIDENTIAL AND COMMERCIAL METERED RATES

AVAILABLE: To customers of the Company in the areas of Crook and Deschutes Counties.

APPLICABLE: To all customers (excluding irrigation service and fire service).

BASE RATE

Service Meter Size	Monthly Base Rate	Usage Allowance
5/8 inch	\$26.17	None
3/4 inch	\$35.69	None
1 inch	\$59.48	None
1 ½ inches	\$107.06	None
2 inches	\$190.34	None
3 inches	\$356.88	None
4 inches	\$594.80	None
6 inches	\$951.68	None
8 inches	\$1,903.35	None

COMMODITY RATE

Commodity Rate	Per	Number Of Units	Unit Of Measure	Base Usage Allowance	Unit Of Measure
\$.95	Per	100	Cubic Feet	None	Cubic Feet

SPECIAL PROVISIONS:

1. Water used during the construction of buildings, etc., shall be metered, whenever practical. Charges shall be made at the rates specified in this schedule. When setting of a meter is impractical, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.
2. City of Bend residents will be charged a monthly City franchise fee based off of a monthly total of all accounts recognized by the Oregon P.U.C. to set Avion's rates.

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

SCHEDULE NO. 8

CIAC TAX FEE

AVAILABLE: To customers of the Utility

APPLICABLE: To developers of projects using the Utilities water service.

Any individual or entity making a cash (see schedule 7, 12, 15) or plant contribution (CIAC) to Avion Water Company will be assessed a fee to pay for the associated federal and state income tax consequences to Avion for accepting the CIAC.

If a plant CIAC is being contributed, the developer will provide to Avion Water Company the cost of the CIAC.

The additional fee will be calculated based on the following formula:

$$\text{Fee} = [\text{CIAC}/(1-\text{tax rate})]-\text{CIAC}$$

$$\text{The tax rate} = \text{Federal tax rate} \times (1-\text{Oregon corporate tax rate}) + \text{Oregon corporate tax rate}$$

Avion will refund any CIAC tax collected under this schedule if tax law changes do not require Avion to pay the taxes on CIAC.

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

SCHEDULE NO. 13

NOTTINGHAM IRRIGATION CUSTOMERS

AVAILABLE: To all bulk irrigation customers in Nottingham subdivision, Bend, Oregon

APPLICABLE: To those irrigation customers who do not have water rights adjudicated to their land yet, still receive bulk irrigation service.

BILLING PERIOD: Monthly rates for irrigation service are charged throughout the year.

FLAT RATE

Bulk Water	Monthly Base Rate	Usage Allowance
Nottingham Square Residential	\$36.57	N/A
Nottingham Square HOA (17 Residential Equivalents)	\$621.69	N/A

Issue Date		Effective for Service on or after	January 1, 2017
Issued By	AVION WATER COMPANY, INC.		

SCHEDULE NO. 14

INTERRUPTABLE LARGE IRRIGATION CUSTOMERS

AVAILABLE: To all irrigation customers using domestic water with 4- or 6-inch meters, Bend, Oregon

APPLICABLE: To those irrigation customers who irrigate with 4- or 6-inch meters and agree to be the first accounts interrupted in the event of Avion exceeding their water rights maximum.

BILLING PERIOD: Monthly rates for irrigation service are charged throughout the year.

BASE RATE

Service Meter Size	Monthly Base Rate	Usage Allowance
4 inches	\$594.80	None
6 inches	\$951.68	None

COMMODITY USAGE RATE

Commodity Rate	Per	No. of Units	Unit of Measure	Base Usage Allowance	Unit of Measure
\$.40	Per	100	Cubic Feet	None	Cubic Feet

SPECIAL PROVISIONS:

1. Avion will provide 30 days notice prior to each curtailment event, unless circumstances don't allow notice.
2. Non-compliance will result in removal of meter at customers expense.
3. Damages – Avion is not liable for damages etc. due to interruption of service pursuant to this schedule.

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

SCHEDULE NO. 15

West Pilot Butte Airport Tariff – System Impact Fee

Purpose: To provide funding to upgrade the main service lines in the applicable area to accommodate development without causing undue financial burden upon any one developer.

Available: To customers of the Utility at Deschutes and Crook Counties, Oregon, and vicinity. Not available to customers served by 1-1/2” or smaller mainlines.

Applicable: To developers of Accessory Dwelling Unit (ADU), duplex, and two-parcel partition projects in Bend, Oregon using the Company’s water service, in the Utility’s service territory, located north and west of the Pilot Butte Airport and south of Bear Creek Road, in Township 18 South, Range 12 East, Section 3.

Cost Estimate of installing main service line:

Phase 1 (12” line across airstrip) = \$90,000
 Phase 2 (8” line up Craven and Myrtlewood) = \$88,000
 Phase 3 (8” line continuing up Craven) = \$76,000
 Phase 4 (8” line up Waco) = \$34,000
 Total = \$288,000

Estimated number of new connections in the applicable area is 30 (20% of 150).

West Pilot Butte Airport System Impact Fee - Schedule A:

RESIDENTIAL UNIT EQUIVALENTS BY SERVICE METER SIZE

SERVICE	FEE
Standard Meter Connection – 5/8”x3/4”	\$9,600

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

As a result, the 5/8"x3/4" inch system impact fee will equal = \$9,600 per service (\$288,000 / 30 connections). This amount is subject to refunds pursuant to Oregon Administrative Rule 860-036-1310 and Avion Rules 10 and 11 as contained in Avion's tariffs. The system impact fees collected for this area will be deposited into a separate account. The impact fees are also subject to Schedule 8 of the Avion Tariff, and fees collected under Schedule 8 will be subject to the associated conditions and refundable as described in Schedule 8.

When the target amount of \$90,000 for Phase 1 is reached, the project will be re-estimated and providing the cost is within the budget limits of collections, the Phase 1 line will be installed. When the target amount of \$88,000 is collected for Phase 2, the project will be re-estimated and providing the cost is within the budget limits of collections, the Phase 2 line will be installed. This process will be repeated for Phases 3 and 4. If the pattern of development dictates a change in the implementation order for phases 2-4, such change shall be made to maximize the improvement in service provided by the available funds. If the cost of installation is above the collected amount, additional system impact fees will be collected at the rates listed in the above West Pilot Butte Airport System Impact Fee - Schedule A until the new target is reached. This procedure will be repeated until the project is able to be completed.

SDC charges under Schedule 7 of the Avion tariff will be waived for developers contributing under this Schedule 15 tariff, including those contributing under the follow-on line share agreement below.

In the event that development: 1) for an area outside the applicable area; or 2) for a project that is not eligible for this tariff; requires completion of one of the phases as an offsite improvement:

1. That phase will be removed from consideration under this tariff.
2. The next phase will commence as previously outlined.
3. The amount collected from each developer will not change; the refund period will simply start sooner.

Refunds - Ten year Line share Agreement:

For a period of ten years following the completion of the final phase as outlined above a line share agreement shall be in effect for subsequent developers. Developers will be charged a fee, and the proceeds will be refunded to those who already paid the fee. The amount paid during the line share period will be calculated according to the following formula:

$$Fee_n = \frac{Total\ Project\ Cost}{n}$$

$$Refund = \frac{Fee_n}{n - 1}$$

Where n is the new total number of contributors to the project.

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

The intention is that at the termination of the line share period, all developers will have contributed an equal amount. Refunds will be distributed annually. Developers shall maintain a current mailing address with Avion Water Company. Refunds due to those developers without an updated mailing address will be turned over the state unclaimed property division.

Special Conditions:

1. All West Pilot Butte Airport funds will be maintained in a separate account.
2. Avion will provide annual construction / construction funds update to Commission Staff by February 1 of each year for the ten-year line share agreement duration.

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

SCHEDULE NO. 16

RESERVED FOR FUTURE USE

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

RESERVED FOR FUTURE USE

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

RESERVED FOR FUTURE USE

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

RESERVED FOR FUTURE USE

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

RESERVED FOR FUTURE USE

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

RESERVED FOR FUTURE USE

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

RESERVED FOR FUTURE USE

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

RESERVED FOR FUTURE USE

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

RESERVED FOR FUTURE USE

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

RESERVED FOR FUTURE USE

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

RESERVED FOR FUTURE USE

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

RESERVED FOR FUTURE USE

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

RULES AND REGULATIONS

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: AVION WATER COMPANY, INC.

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

- 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.

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)

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

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.

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

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

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.

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

Avion will generally proceed with method A above.

The customer will provide access during reasonable hours to company-owned service lines that extend on to the premises of the customer for the purposes of reading meters, maintenance, or removal of Utility property at the time service is to be terminated.

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 may be required to pay the cost of the service connection, including or excluding the meter as provided in Rule No. 8 and the Utility's Miscellaneous Service Charges in this tariff.

Rule 10: Main Line Extension Policy (OAR 860-036-1310)

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.

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

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

rules, regulations, codes, and industry standards. Each main line extension shall normally extend along applicant's property line to the point the applicant's service line would be at a 90-degree angle to the street or main line.

Rule 11: Main Line Advances and Refunds Policy

Extensions to the main will be made by the Utility along only streets, county roads, highways, or satisfactory rights-of-way; provided that in these cases of extension pressure conditions permit and the Utility has sufficient water to supply additional demands without detriment to those customers already being served. The following provision governing service shall apply.

The utility may require each applicant, for new service, to provide the main line extension when required to bring service to the applicant's premise. The main line extension will continue along the applicant's property line to the point where the applicant's service line would be at a 90 degree angle to the street or main line.

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 to the applicant prior to receiving service.

For a period of 5 years after construction of the requested main line extension, an amount per foot equal to the new applicant's proportionate share (per lineal feet) of the main line extension cost for that portion used. 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.

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. Refunds are based upon line length constructed, or property frontage, whichever is appropriate.

Main line extensions that serve tracts, subdivision, housing projects or industries may be a matter of special contract with the promoters. Special contracts are subject to review by the Public Utility Commission.

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.

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

Rule 13: Multiple Residences/Commercial Users

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

Rule 14: Utility Access to Private Property (OAR 860-036-1370, -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 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 860-036-1330)

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 16: 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.

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

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 860-036-1270)

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.

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 18: 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 19: Utility Meters (OAR 860-036-1350)

The Utility shall own, maintain, and operate all meters. Meters placed in service will be

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

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.

Each customer shall provide the Utility with regular access to its meter, including removal of barriers and snow and ice. Customers whose meters are due to be read when snow or ice covers the meters will be notified by mail and informed that if they request their meter read, they should expose the meter box and notify the Utility and the Utility will read the meter.

Customers whose meters are blocked by other barriers will be notified that if the obstructions are not removed, the utility will estimate the customer's bill. Except for those customers notified as above, meter reading intervals will not exceed three months.

Failure to permit access at reasonable times and after the Utility provides reasonable written notice to the customer is grounds for disconnection of service. (OAR 860-036-1500)

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 860-036-1590). Broken meters shall be repaired or replaced within 30 days of discovery.

Rule 20: 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;

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

- 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 21: 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.

BILLING

Rule 22: 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.

As near as practical, meters shall be read **(check one)** monthly, bimonthly, or quarterly on the corresponding day of each meter reading or billing period. The bill will be rendered immediately thereafter. The Utility will provide its customers with timely billings every month or as indicated in its tariffs or statement of rates.

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

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.

The Utility will keep at least 10 years of all billings records (flat or metered rates) and three years of meter readings. The Utility shall make 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 utility will read meters with alternate months estimated on the following schedule:

Winter (November through February) residential usage will be estimated at 700 cubic feet per month.

Winter (November through February) commercial usage will be estimated from the previous actual meter reading or 700 cubic feet, whichever method provides the most consistent billing for the commercial customer. The Customer may request either method.

Summer (March through October) will be estimated based on the average of the previous three months usage. The Utility may decrease estimated billings based upon changes in plant pumping rates so that customers will, insofar as practical, not be overbilled.

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

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

Rule 23: Returned Payment Charge

The Returned Payment, Non Sufficient Funds Charge listed on the Miscellaneous Service

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

Charges Schedule 3 shall be billed for each occasion a customer submits any type of noncash payment (check, debit, electronic, etc.) that is not honored, for any reason, by a bank or other financial institution.

Rule 24: Prorating of Bills

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

Rule 25: Adjustment of Bills (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 under-billing 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.

Rule 25a: 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.

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

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.

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

DISCONNECTION OF WATER SERVICE

Rule 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.

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

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

disconnection or restoration of service.

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

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.

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.

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

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 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.

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

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.

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;

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

- 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).

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.

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

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.

Rule 34: 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. (OAR 860-036-1590).

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

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: Work Quality

No person shall be allowed to make connections with the mains, alterations to the service lines, or turn water off or on to any premises without the permission of the Utility. The Utility shall specify the size, character and location of pipes and appurtenances in any main extension. All construction work to the Utility's system will conform to State and Utility approved standards.

Rule 36: Shut Off for Repairs

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

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 860-036-1610)

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 39: 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.

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

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 40: 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.

Rule 41: 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 3 of the tariff. For metered service, the pressure will be tested at a point adjacent to the meter on the customer's service line.

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

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 42: 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.

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

Rule 43: 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.

Inspections will be made by certified personnel where there is reasonable cause to believe that a cross connection or a potential cross connection exists on the customer's premise.

A customer that has another water supply that cross connects with the Utility's system or has conditions that presents the possibility of contamination or pollution to the Utility's water supply, must either eliminate the cross connection or install a cross connection control device (device).

The device and its installation or the elimination of the cross connection shall be in accordance with standard practices pertaining to cross connection control approved by the Department of Human Services, the Utility, and the National Safe Drinking Water Act.

The entire cost of installation and equipment will be at the expense of the customer. Any corrective measure, disconnection, or change on the customer's property shall be at the sole expense of the person in control of said property.

The Utility shall regulate the location, installation, and testing of all devices. The Utility will inspect the installation prior to providing water service. The annual testing of the device shall be by licensed personnel. All devices in service must be tested annually. The Utility will determine the frequency of testing based upon the severity of the hazard.

Customer failure to install, maintain, and test the device(s) as required are grounds for disconnect of water service to that customer's premise(s).

Issue Date		Effective for Service on or after	November 8, 2018
Issued By	AVION WATER COMPANY, INC.		

Avion Water Co. Inc.

60813 Parrell Rd.
Bend, OR 97701

Phone
[541]382-5342
Fax
[541]382-5390

NE 1/4, NW 1/4, SW 1/4, TRACTS WILL DEVIATOR
CRAVEN RD
CESSNA DR
PIPER DR
WACO DR
ROUTE 10 & 11

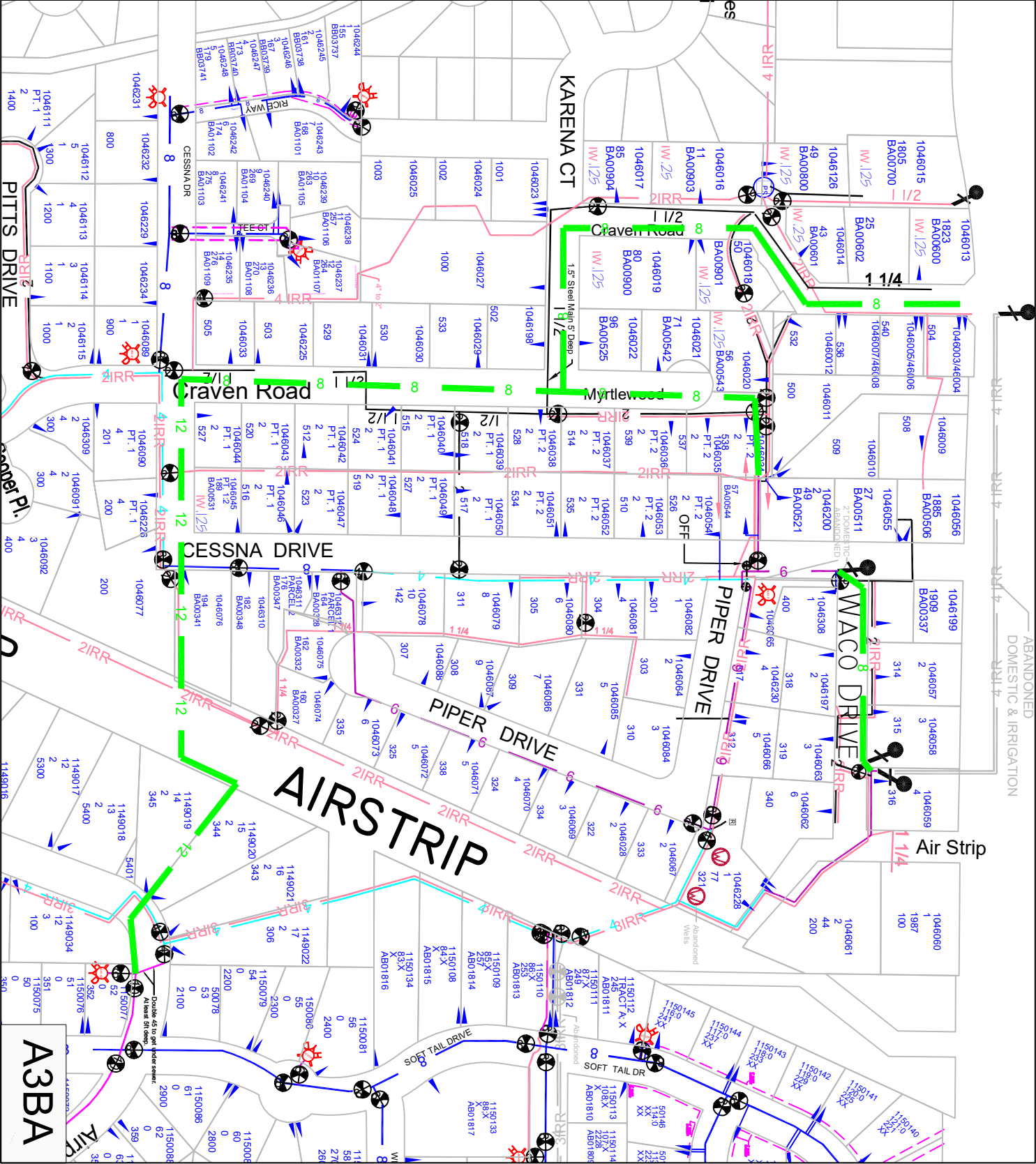


Completed: 09/2009
Drawn By: TEL

Scale 1"=100'

Legend

- Valve:
- Fire Hydrant:
- U Pattern Service:
- Service:
- Blow Off:
- Line Change:
- Pump Station:
- Pressure Reducing Valve:
- Well:
- Reservoir:



A3BA