

This is an electronic copy. Format and font may vary from the official version. Attachments may not appear.

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UW 100

In the Matter of)	
)	
DUKE'S FARM, LLC)	
)	ORDER
Request to establish rates resulting in total)	
annual water and sewer revenue of)	
\$52,074.)	

DISPOSITION: STIPULATION ADOPTED

On April 30, 2004, Duke's Farm, LLC, (Company) filed its first rate case application to establish tariffs with the Commission. At the May 18, 2004, public meeting, the Commission suspended the proposed tariff pending an investigation by the Public Utility Commission Staff (Staff). *See* Order No. 04-285.

A Public Comment Hearing/Open House Meeting and Prehearing Conference was held on June 14, 2004, in Salem, Oregon, and was attended by Staff, Mr. Sanders of Duke's Farm, LLC, and two customers.

In the course of settlement discussions, the parties agreed to and signed the attached stipulation, which is attached as Appendix A. The stipulation establishes Commission regulation according to the tariff sheets, attached to the Appendix as Attachment C, as described below.

Duke's Farm, LLC owns and operates a water and wastewater utility and two mobile home parks located in the City of Salem. The Company purchases water and wastewater services from the City of Salem (City) and resells the service to the approximately 149 tenants of its mobile home parks. Under ORS 757.061(3), the Company is subject to Commission regulation because it provides wastewater service within the boundaries of a city. For this reason, the Company filed its first rate case application to establish its tariffs with the Commission.

The Company's application seeks to establish tariffs at current rates. Currently, the Company charges customers every two months, based on a \$28 bi-monthly base rate, including 800 cubic feet of water usage, and a variable rate of \$0.0085 for every cubic foot above 800 cubic feet. The current wastewater rate is a flat bimonthly rate of \$33.11. The rates have been in effect since 1997.

Staff's analysis supported higher rates. According to Staff's calculations, the number of customers and amount of annual consumption is higher than that estimated by the Company. Further, the City of Salem will increase its rates by 6.5 percent in November 2004, a raise not accounted for by Duke's Farm's rates. However, because customers only received notice of the amount in the Company's filing, Staff did not recommend approval of higher rates. Staff noted that the Company also receives revenues from mobile home park rentals and supplements the water and wastewater utility revenue with the rental revenue.

CONCLUSIONS

The Commission has examined the stipulation, proposed tariff sheets, all attachments, and the entire record in this case. The Commission concludes that the stipulation is an appropriate resolution of all issues and that the rates established therein are just and reasonable. The stipulation is attached as Appendix A. The stipulated rates for water service and sewer service are attached to the stipulation as Attachment A and B, respectively. The relevant tariff sheets are attached as Attachment C. The Commission adopts the stipulation and all attachments.

ORDER

IT IS ORDERED that:

1. The rate schedules proposed by Duke's Farm, LLC, in Advice No. 04-6 are permanently suspended.
2. The stipulation, Appendix A to this order, is adopted.
3. The terms and rates set out in Attachment C, the tariff sheets, are effective on November 29, 2004.

Made, entered, and effective _____.

Lee Beyer
Chairman

John Savage
Commissioner

Ray Baum
Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to applicable law.

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UW 100

In the Matter of Rate Schedules Filed)
by DUKES FARM LLC to Establish) STIPULATION
Water Service and Sewer Service Rates)

Dukes Farm LLC (Dukes or Company), appearing by and through its owner John L. Sanders, and the Public Utility Commission Staff (Staff) appearing by and through its attorney, Jason W. Jones, Assistant Attorney General, enter into this agreement in settlement of all issues between them.

1.

Staff's written testimony, exhibits, and tariff sheets will be received into evidence pursuant to this stipulation without requiring any party to lay a foundation for its admission.

2.

Staff and the Company (Parties) agree that Dukes will establish water service tariffs at the current bimonthly base rate of \$28 (\$14 monthly) and a variable rate of \$.0085 per cubic foot above 800 cubic feet.

3.

Staff and the Company (Parties) agree that Dukes will establish sewer service tariffs at the current bimonthly flat rate of \$31.11 (\$15.56 monthly). Attachment A and Attachment B shows the stipulated rates for water service and sewer service, respectively. Attachment C is the Company's tariffs.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17

4.

The Parties agree to the Miscellaneous Service Charges and Rules and Regulations as set forth in Schedule 2. (Attachment C)

5.

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.

6.

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

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

4

5

6 Dated this _____ day of _____, 2004.

7

Respectfully submitted,

8

HARDY MYERS
Attorney General

9

10

11

JASON W. JONES # 00059
Assistant Attorney General
Of Attorneys for PUC Staff

12

13

14

15

16

17

18 Dated this _____ day of _____, 2004.

19

20

DONALD D SANDERS, Owner
Dukes Farm LLC

21

22

WATER RESIDENTIAL RATE DESIGN BASED ON CURRENT RATES

WATER

Proposed Revenues of: **\$7,312**

Staff uses the consumption calculated from the company's meter reading and billing documents

Base consumption=800cf/two months
Staff calculations use 149 customers

Base/Commodity Split

Variable Rate	Proposed Rev			
100.00%	\$7,312	=		\$7,312
Base Rate	Proposed Rev			
0.00%	\$0	=		<u>\$0</u>
				\$7,312

BASE RATE		Current Mo	Proposed Mo	Proposed Bi-Mo	Total Annual
Size of Line	# of Customers	Base Rate	Base Rate	Base Rate	Revenues
5/8"	149	\$0.00	\$0.00	\$0.00	\$0
1"	0	\$0.00	\$0.00	\$0.00	\$0
1 1/2"	0	\$0.00	\$0.00	\$0.00	\$0
2"	0	\$0.00	\$0.00	\$0.00	\$0
3"	0	\$0.00	\$0.00	\$0.00	\$0
Commercial					
3/4"	0	\$0.00	\$0.00	\$0.00	\$0
1"	0	\$0.00	\$0.00	\$0.00	\$0
1 1/2"	0	\$0.00	\$0.00	\$0.00	\$0
2"	0	\$0.00	\$0.00	\$0.00	\$0
3"	0	\$0.00	\$0.00	\$0.00	\$0
TOTALS	149				<u>\$0</u>
			0.0%	PERCENT	

VARIABLE RATE \$7,312 TOTAL REVENUE REQUIREMENT

\$0.0085 per cf above 800 cf base allowance per bimonth

Proposed Rev \$7,312 divided by Consumption 860,192 = 0.00850

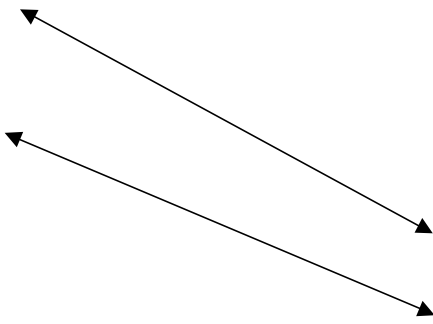
Average Mo Bill Calculation

ual bimonthly avg usage > 800 cf	962	
rate per cf	<u>\$0.0085</u>	Annual Rev Ck
	\$8.18	\$7,311.64
plus base rate	<u>\$0.00</u>	<u>\$0.00</u>
AVG BI-MO RATI	\$36.18	<u>\$7,311.64</u>

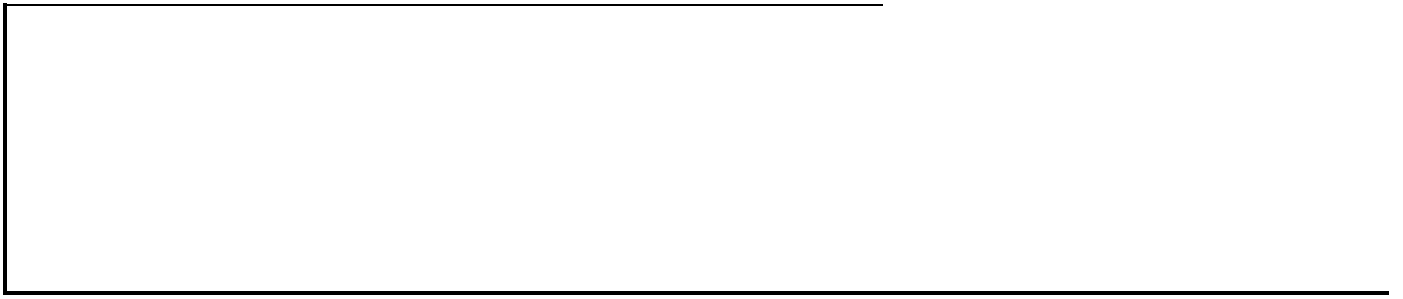
Consumption Calculations

1575393 Total Consumpt in cf
715,201 Less Allowed Consumpt
860,192 Remaining consumption

AVERAGE BIMONTHLY BILL \$0.00







|

SEWER RESIDENTIAL RATE DESIGN BASED ON CURRENT RATES

Proposed Revenues of: \$29,600

Base/Commodity Split

Variable Rate Proposed Rev
 0.00% \$29,600 = \$0

Base Rate Proposed Rev
 100.00% \$29,600 = $\frac{\$29,600}{\$29,600}$

BASE RATE

Size of Line	Number of Customers	Current Monthly Flat Rate	Proposed Monthly Flat Rate	Proposed Bi-Monthly Flat Rate	Total Annual Revenues
5/8"	149	\$16.56	\$16.56	\$33.11	\$29,600
1"	0	\$0.00	\$0.00	\$0.00	\$0
1 1/2"	0	\$0.00	\$0.00	\$0.00	\$0
2"	0	\$0.00	\$0.00	\$0.00	\$0
3"	0	\$0.00	\$0.00	\$0.00	\$0
Commercial					
3/4"	0	\$0.00	\$0.00	\$0.00	\$0
1"	0	\$0.00	\$0.00	\$0.00	\$0
1 1/2"	0	\$0.00	\$0.00	\$0.00	\$0
2"	0	\$0.00	\$0.00	\$0.00	\$0
3"	0	\$0.00	\$0.00	\$0.00	\$0
TOTALS	149				\$29,600

0.0% PERCENT CHANGE

TARIFFS
Containing Rules and Regulations
Governing Service

NAMING RATES FOR

DUKES FARM LLC

374 OWENS ST SE #2B
SALEM OR 97302

504-585-7111

Serving water and sewer service in the vicinity of
2000 & 2155 Robins Lane SE
Salem OR 97306

Issue Date		Effective Date	
Issued By	DUKES FARM LLC		

TABLE OF CONTENTS

<u>Schedule No.</u>		<u>Page No.</u>
	Title Page	1
	Index	2
1	Residential Water Metered Rates	3
2	Residential Sewer Flat Rates	4
3	Miscellaneous Charges	5
	Rules and Regulations	6-17

Issue Date		Effective Date	
Issued By	DUKES FARM LLC		

SCHEDULE NO. 1

RESIDENTIAL WATER METERED RATES

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

Applicable: To residential premises.

Bimonthly Base Rate

Service Meter Size	BIMONTHLY Base Rate	Usage Allowance	Unit of Measure
5/8 or 3/4 inch	\$28.00	800	<input checked="" type="checkbox"/> cubic feet
			<input type="checkbox"/> gallons
1 inch	\$N/A		<input type="checkbox"/> cubic feet
			<input type="checkbox"/> gallons
1½ inches	\$N/A		<input type="checkbox"/> cubic feet
			<input type="checkbox"/> gallons

Variable Usage Rate

Variable Rate	Per	Number of Units	Unit of Measure	Above	Base Usage Allowance	Unit of Measure
\$.0085	Per	1	<input checked="" type="checkbox"/> cubic feet	Above	800	<input checked="" type="checkbox"/> cubic feet
			<input type="checkbox"/> gallons			<input type="checkbox"/> 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. 28 Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.

Issue Date		Effective Date	
Issued By	DUKES FARM LLC		

SCHEDULE NO. 2

RESIDENTIAL SEWER FLAT RATES

Available: To customers of the Utility a Salem, Oregon, and vicinity.

Applicable: To residential premises.

Sewer Flat Rate

Service Line Size	Bi Monthly Flat Rate
5/8 inch or 3/4 inch	\$33.11

Special Provisions:

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

Issue Date		Effective Date	
Issued By	DUKES FARM LLC		

SCHEDULE NO. 3

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	Not Applicable
Nonstandard ¾ inch service	Not Applicable
Larger than ¾-inch	Not Applicable
Irrigation hookup (if provided on separate system)	Not Applicable

Meter Test (Rule No. 21)

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

Pressure Test (Rule No. 40)

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

Late-Payment Charge (Rule No. 22)

Charged on amounts more than 30 days past due	Pursuant to OAR 860-036-0050 (currently at 1 1/2 %)
---	--

Returned-Check Charge (Rule No. 23)

\$20/each occurrence

Trouble-Call Charge (Rule No. 36)

During normal office hours	\$25/hr
After normal office hours on special request	\$35/hr

Disconnection/Reconnect Charge (Rule No. 28 & 29)

During normal office hours	\$25
After normal office hours on special request	\$35

Unauthorized Restoration of Service (Rule No. 30)

Reconnection charge plus costs

Damage/Tampering Charge (Rule No. 34)

At cost

Disconnect-Visit Charge (Rule No. 29)

\$20

Issue Date		Effective Date	
Issued By	DUKES FARM LLC		

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 DUKES FARM, LLC.
- B. "Applicant" shall mean any person, business, or organization who 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 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. Relating to water: "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. Relating to wastewater: "Main" shall mean the pipe laid in the street, alley, or other right-of-way for the collection of wastewater to the treatment plant. It shall not include service connection pipes.
- I. "Service connection" shall mean the pipe, stops, fittings, and other appurtenances laid from the main to the property line of the premises served and/or customer service pipe.
- J. "Customer service pipe" shall mean the pipe, stops, and fittings leading from the service pipe connection to the premises served.
- K. 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.

Issue Date		Effective Date	
Issued By	DUKES FARM LLC		

APPLICATION FOR SERVICE

Rule 3: Customer/Applicant Information (OAR 860-037-0015)

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 and 860-037-0030)

Application for water/wastewater service must be made for each individual service. The application will identify the applicant, the premises to be served, the billing address if different, 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/wastewater utility service and may not be accepted until the applicant establishes credit as set forth in 860-036-0035 and 860-037-0035.

An application for water/wastewater service must be made where:

- A. An applicant who has not previously been served by the 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 and 860-037-0035)

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.

Issue Date		Effective Date	
Issued By	DUKES FARM LLC		

The utility shall pay interest on deposits at the rate established by the Commission. After the customer has paid bills for service for 12 (twelve) consecutive months without having had service discontinued for nonpayment, or more than two (2) occasions in which a notice of discontinuance 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)**:

- 1) Issuing the customer a refund check
- 2) Crediting the customer's account

Rule 6: Customer Service Pipe (OAR 860-037-0055(3))

The customer shall own and maintain the customer service pipe 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 service pipe or any portion of the customer's plumbing. All leaks in the customer service pipe and all other parts of the plumbing owned or controlled by the customer shall be promptly repaired.

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 premises using a valve placed within and near the line of the street, the utility right-of-way, or at the meter.

Rule 8: Service Pipe Connections (OAR 860-036-0060 and 860-037-0055(1))

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

Rule 9: Sewer Connection or Service Connection Charge (OAR 860-037-0055(2))

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

Rule 10: 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.

Issue Date		Effective Date	
Issued By	DUKES FARM LLC		

Rule 11: 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 12: Main Line Extension Policy (OAR 860-036-0065 and 860-037-0060)

The utility shall specify the size, character, and location of pipes and appurtenances in any main line extension. Main line extensions shall normally be in or along streets, roads, highways, or other satisfactory rights-of-way. All construction work shall conform to all applicable rules, regulations, codes, and industry standards.

Rule 13: 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 10 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 14: 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 15: 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 16: Utility Access to Private Property (OAR 860-036-0120(3)(b), 860-036-0205(3) and 860-037-0205(3))

Customers shall provide access during reasonable hours to utility-owned service lines that extend onto the premises of the customer for 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 premises, as required by law or to determine if a health or safety hazard exists, it is grounds for discontinuance of service.

Issue Date		Effective Date	
Issued By	DUKES FARM LLC		

Rule 17: Restriction on Entering a Customer Residence (OAR 860-036-0085 and 860-037-0080)

No water 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 18: Refusal of Service Due to Customer Accounts (OAR 860-036-0080(1-3) and 860-037-0075)

The utility may refuse to provide service to an applicant until receipt of full payment of overdue amounts, or other obligations related to a prior water or wastewater 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; or
- C. The person indicated in (A) will reside at the location to be served under the new application.

Service shall not be refused for matters not related to wastewater or related 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 19: Refusal of Service Due to Utility Facilities (OAR 860-036-0080(7) and 860-037-0075(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 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. Description of resources and/or facilities that are inadequate to render service applied for;
- B. Cost to the utility for additional capacity in order to provide the additional service; and
- C. 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 and 830-037-0025.

Rule 20: Refusal of Service Due to Customer Facilities (OAR 860-036-0080(4-6) & 860-037-0075(4,5,6))

Issue Date		Effective Date	
Issued By	DUKES FARM LLC		

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 of the receipt of the request for service stating the reason(s) for refusal and providing information regarding the Commission’s complaint process. A copy of the notification will also be sent to the Commission.

METERS

Rule 21: 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 22: Meter Testing (OAR 860-036-0110)

The meter shall be tested prior to or within 30 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.

Issue Date		Effective Date	
Issued By	DUKES FARM LLC		

Rule 23: 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;
- 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 24: Billing Information/Late-Payment Charge (OAR 860-037-0105 and OAR 860-037-0115)

Bills are due and payable when rendered by deposit in the mail or other reasonable means of delivery. The utility shall bill on a monthly bimonthly quarterly annual interval.

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 and 860-037-0110 require a minimum of 15 days.) If permitted to become delinquent, water/wastewater service may be terminated after proper notice as provided in Rule 30, Disconnection of Water/Wastewater Service Charge for Cause.

All water/wastewater service bills shall show:

- A. Beginning and ending meter readings for the billing period (if applicable);
- 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 (if applicable);
- E. Schedule number under which the bill was computed;
- F. Delinquent date of the bill;
- G. Total amount due;
- H. Telephone number where customers can reach the utility; and
- I. All other information necessary for the computation of the bill.

Issue Date		Effective Date	
Issued By	DUKES FARM LLC		

Rule 25: 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 26: 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. When applicable the water 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 27: Adjustment of Bills (OAR 860-036-0105 and 860-037-0120)

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. When applicable, no billing adjustment shall be required if a water 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.

DISCONTINUANCE OF WATER/WASTEWATER SERVICE

Rule 28: Voluntary Discontinuance (OAR 860-036-0210 and 860-037-0210)

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 water/wastewater service. Until the utility receives such notice, the customer shall be held responsible for all water/wastewater 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 29: Emergency Disconnection (OAR 860-036-0215 and 860-037-0215)

The utility may terminate water/wastewater 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

Issue Date		Effective Date	
Issued By	DUKES FARM LLC		

notify the customer(s) 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 30: Disconnection of Water/Wastewater Service Charge for Cause (OAR 860-036-0205, 860-036-0245 and 860-037-0245)

When a customer fails to comply with the utility’s water/wastewater rules and regulations, or permits a bill or charge for regulated service to become delinquent (except for nonpayment of a time-payment agreement*), the utility shall give at least five days’ written notice before water/wastewater may be discontinued. The notice shall state:

- A. The reason(s) for the proposed discontinuance;
- B. The earliest date for discontinuance;
- C. The amount to be paid to avoid discontinuance;
- D. An explanation of the time-payment provision of OAR 860-036-0125 and 860-037-0110;
- 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/wastewater utility expects to disconnect service, the utility must make a good-faith effort to physically contact the customer to be discontinued or an adult at the customer’s premise where service will be discontinued 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 and 860-037-0220)

The utility shall not disconnect residential service due to the failure to pay or meet obligations associated with nonresidential service. (OAR 860-036-0225 and 860-037-0225)

A water/wastewater utility may not discontinue residential service for nonpayment if the 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 and 860-037-0110)

*When a customer fails to comply with the terms of a written time-payment agreement between the customer and the utility permits a time-payment agreement charge to become delinquent, the utility shall give at least 15 days’ written notice before the water/wastewater service may be shut off. (OAR 860-037-0110(6))

Issue Date		Effective Date	
Issued By	DUKES FARM LLC		

Rule 31: Reconnection Charge and Disconnection Visit Charge (OAR 860-036-0080, 860-036-0245(7), 860-037-0240, and 860-037-0245(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 32: Unauthorized Restoration of Service

After the water/wastewater service 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 or wastewater lines or pipes 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 33: Unauthorized Use

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

Rule 34: Interruption of Service (OAR 860-036-0075 and 860-037-0070)

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 interruption 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 interruption of service.

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

Rule 35: Water Supply/Usage Restrictions (OAR 860-036-0325)

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

Issue Date		Effective Date	
Issued By	DUKES FARM LLC		

- 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 36: Damages/Tampering

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

SERVICE QUALITY

Rule 37: System Maintenance (OAR 860-036-0305)

The utility shall have and maintain its entire plant, distribution system, and hydrants in such condition that it will provide 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 as considered necessary for the proper maintenance of its system, including regular flushing schedules, exercising of valves, and valve inspections.

Rule 38: Trouble Call

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

Rule 39: Water Purity (OAR 860-036-0310)

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

Issue Date		Effective Date	
Issued By	DUKES FARM LLC		

Rule 40: Water Pressure (OAR 860-036-0315)

The utility shall maintain pressure at a minimum of 20 pounds per square inch (psi) for health reasons to each customer at all times 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.

Rule 41: Pressure Surveys (OAR 860-036-0320)

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

Rule 42: Customer-Requested Pressure Test (OAR 860-036-0320)

Upon customer request, the utility will perform a water pressure test within 20 working days of the request 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 43: Maps/Records (OAR 860-036-0335 and 860-037-0310)

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

Rule 44: Utility Line Location (One Call Program) (OAR 860-036-0345 and 860-037-0320)

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.

Rules 45: Cross Connection/Backflow Prevention

The individual customers do not have backflow prevention devices. Backflow prevention devices are owned by the company and placed at the master meters. The City of Salem would be responsible to report on the backflow prevention devices owned by the Company to the State Drinking Water Program.

Issue Date		Effective Date	
Issued By	DUKES FARM LLC		