

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UW 107

In the Matter of )

ROATS WATER SYSTEM, INC. )

ORDER

Application for an Increase in the Utility's )

Total Annual Revenues of \$90,000 or 15.4 )

Percent. )

**DISPOSITION: STIPULATION APPROVED; RATE INCREASE  
GRANTED**

On February 24, 2005, Roats Water System, Inc. (Company) filed PUC Oregon No. 3 to be effective July 1, 2005. The Company requested an increase of \$90,000 (15.4 percent) in annual revenues, resulting in new total annual revenues of \$674,988. The current average monthly residential rate for a service meter size of 5/8" is approximately \$37.97, which would increase to approximately \$43.85 under the proposed rates. The Company claims that the additional revenue is needed for a necessary plant expansion (new well, pump house and main line improvements) and to cover increased costs for insurance, employee benefits, materials and supplies.

On March 31, 2005, a public comment open house and prehearing conference were held in Bend, Oregon.

On June 10, 2005, Public Utility Commission of Oregon staff (Staff) filed a stipulation along with supporting testimony, resolving all issues in the docket.

**Stipulation**

The Stipulation is attached as Appendix A, and incorporated by reference. In the Stipulation, the parties agree that the Company will increase its revenues by \$83,691, or 14.2 percent, and with adjustments to number of customers, will result in total revenues of \$674,987, with a 3.99 percent rate of return on a total rate base of \$1,397,138. According to the terms of the Stipulation, the average monthly residential bill for a service meter size of 5/8" will increase from \$37.97 to \$42.14. The Stipulation also revises the Company's rate design to better reflect American Water Works Association factors. The parties also agree that the Company will continue to move the rates closer to the American Water Works Association factors for meter size.

**DISCUSSION**

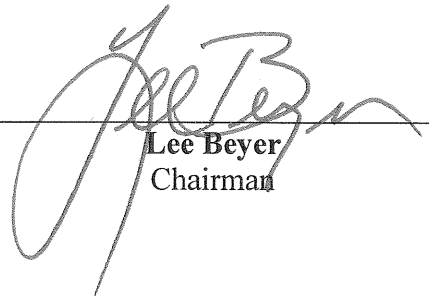
After reviewing the Stipulation and supporting testimony, the Commission concludes that the Stipulation is an appropriate resolution of all issues, and that the rates established are just and reasonable. We adopt the Stipulation in its entirety.

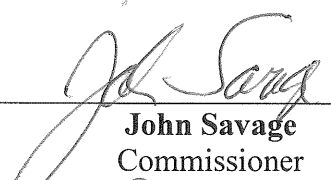
**ORDER**


IT IS ORDERED that:

1. Advice No. 05-19 is permanently suspended.
2. The Stipulation, attached as Appendix A, is adopted in its entirety.
3. The rates set out in the Stipulation become effective July 1, 2005.

Made, entered, and effective         JUN 24 2005        .

  
\_\_\_\_\_  
**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 107

In the Matter of the Revised	)	
Tariff Schedules Filed by Roats	)	
Water System, Inc., (General Rate	)	STIPULATION
Increase).	)	

Roats Water System, Inc. (Company), appearing by and through its owner, Bill Roats, 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.

The written testimony of Staff, which is attached hereto, will be received in evidence pursuant to this stipulation without requiring any Stipulating Party to lay a foundation for its admission.

2.

Staff and the Company agree that the Company will be allowed to increase total revenues by \$83,691 or 14.2 percent, resulting in total revenue of \$674,987. Attachment A shows the stipulated revenue requirement. Attachment B is the tariff sheets PUC Oregon No. 3, which shows the rates agreed to by Staff and the Company.

3.

Staff and the Company agree that the Company should be allowed to implement Staff's rate base treatment regarding the a) capital project rate base addition of \$693,984, b) subtraction of \$984,616 of Contributions in Aid of Construction (CIAC) per the Company's 2004 Annual Report, c) addition of \$341,526 of Accumulated CIAC per the Company's 2004 Annual Report, and d) subtraction \$53,217 of Accumulated Deferred Income Tax.

1 4.

2 The Company and Staff agree that the Company will continue to identify CIAC and  
3 Accumulated Amortization of CIAC in its annual reports. CIAC shall be amortized at the same  
4 rate as the specific plant equipment is being depreciated. This accounting method will reduce the  
5 affect of CIAC on net plant. Staff and the Company also agree that the Company will follow the  
6 CIAC accounting prescribed by the National Association of Regulatory Utility Commissions  
7 (NARUC), specifically the use of Account 403, Depreciation Expense for amortization. Staff  
8 will work with the Company on any issues that occur due to this change.

9 5.

10 Staff and the Company also agree that for new plant that comes into operation starting  
11 January 2006, the Company shall use plant lives and depreciation rates set forth by NARUC.  
12 Staff will work with the Company on any issues that occur due to this requested change.

13 6.

14 Staff and the Company also agree that the Company shall track and include deferred  
15 income taxes on its annual reports and future rate case filings. Staff will work with the Company  
16 on any issues that occur due to this change.

17 7.

18 Staff and the Company also agree that the Company shall continue to bring rates closer to  
19 the American Water Works Association (AWWA) factors for determining rates based on the size  
20 of service line. Staff will work with the Company on any issues that occur due to this change.

21 8.

22 Staff and the Company agree that the Company may charge rates according to the rate  
23 schedule set forth in tariff sheet designated PUC Oregon No. 3, Original Sheet No. 3.

24

25

26

1 9.

2 Staff and the Company also agree that the Company shall file a Cross Connection Control  
3 Program, Backflow Prevention Device Services Fees, according to the schedule set forth in tariff  
4 sheet designated PUC Oregon No. 3, Original Sheet Nos. 4 through 6.

5 10.

6 Staff and the Company agree that the Company may charge miscellaneous service  
7 charges according to the schedule set forth in tariff sheet designated PUC Oregon No. 3, Original  
8 Sheet No. 7.

9 11.

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

13 12.

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

20 13.

21 The parties understand that this stipulation is not binding on the Commission in ruling on  
22 this application and does not foreclose the Commission from addressing other issues.

23  
24  
25  
26

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

DATED this 8<sup>th</sup> day of June 2005.

Respectfully submitted,

HARDY MYERS  
Attorney General



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

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
Bill Roats  
Roats Water Systems, Inc.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

DATED this 8<sup>th</sup> day of June 2005.

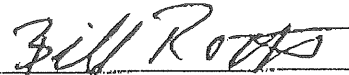
Respectfully submitted,

HARDY MYERS  
Attorney General



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

DATED this 14<sup>th</sup> day of JUNE, 2005.



Bill Roats  
Roats Water Systems, Inc.

Roats

February 24, 2005

UW 107

Company Case 8.3%

Staff Case 8.3%

	A	B	C	D	E	F	G	H	I
	Balance Per Application 38,352	Proposed Company Adjustments	Adjusted Results (A+B=C)	Company Proposed Rev Changes	Proposed Results (C+D=E)	Proposed Staff Adjustments	Adjusted Results (A+F=G)	Staff Proposed Rev Changes	Proposed Results (G+H=I)
461 Residential/Comm Water Sales	440,269	0	440,269	70,500	510,769	26,416	466,685	66,054	532,739
461 Commercial Water Sales	121,572	0	121,572	19,500	141,072	3,039	124,611	17,637	142,248
466 Sales for resale	28,857	(28,857)	0	0	0	(28,857)	0	0	0
462 Fire	15,424	0	15,424	0	15,424	(15,424)	0	0	0
471 Revenue other than water sales	7,723	0	7,723	0	7,723	(7,723)	0	0	0
Fire hookup CIAC Amortz	9,655	(9,655)	0	0	0	(9,655)	0	0	0
<b>TOTAL REVENUE</b>	<b>623,500</b>	<b>(38,512)</b>	<b>584,988</b>	<b>90,000</b>	<b>674,988</b>	<b>(32,204)</b>	<b>591,296</b>	<b>83,691</b>	<b>674,987</b>
<b>Operating Expenses</b>									
601 Salaries and Wages	62,422	3,956	66,378		66,378	3,956	66,378		66,378
603 Officers Salaries and Wages	73,834	2,215	76,049		76,049	2,215	76,049		76,049
604 Employe Pension & Benefits	24,759	743	25,502		25,502	743	25,502		25,502
610 Purchased Water	0	0	0		0		0		0
615 Purchased Power	78,893	0	78,893		78,893	0	78,893		78,893
618 Chemicals	8,077		8,077		8,077		8,077		8,077
620 Materials and Supplies	61,296	0	61,296		61,296	0	61,296		61,296
621 Repairs			0		0	0	0		0
631 Contract Service - Engineering	1,309	(1,309)	0		0	0	1,309		1,309
632 Contract Service Accounting	14,679	0	14,679		14,679	(5,062)	9,617		9,617
633 Contract Service - Legal	2,362	0	2,362		2,362	0	2,362		2,362
635 Contract Service - Testing	1,519	2,806	4,325		4,325	2,806	4,325		4,325
640 Rents of Equipment	18,000	0	18,000		18,000	0	18,000		18,000
650 Transportation Expense	35,743	0	35,743		35,743	0	35,743		35,743
656 Vehicle Insurance	6,313	0	6,313		6,313	0	6,313		6,313
657 Liability Insurance	18,960	0	18,960		18,960	0	18,960		18,960
658 Comp Insurance	4,108	0	4,108		4,108	0	4,108		4,108
666 Amort. of Rate Case Expenses	0	0	0		0	2,531	2,531		2,531
667 Reg Commission	0	0	0		0	1,478	1,478	167	1,645
670 Bad Debt Expense	0	0	0		0		0		0
675 General Expense	3,122	0	3,122		3,122	0	3,122		3,122
<b>TOTAL OPERATING EXPENS</b>	<b>415,396</b>	<b>8,411</b>	<b>423,807</b>	<b>0</b>	<b>423,807</b>	<b>8,667</b>	<b>424,063</b>	<b>167</b>	<b>424,230</b>
403 Depreciation Expense	123,843	6,000	129,843		129,843	0	123,843		123,843
Amortization Expense	0	0	0		0	14,728	14,728		14,728
Taxes Other Than Income Tax	42,145	0	42,145	0	42,145	0	42,145		42,145
Oregon Income Tax	10	0	10		10	(968)	(958)	5,513	4,555
Federal Income Tax	886	0	886	0	886	(2,907)	(2,021)	11,727	9,706
<b>TOTAL REVENUE DEDUCTIO</b>	<b>582,280</b>	<b>14,411</b>	<b>596,691</b>	<b>0</b>	<b>596,691</b>	<b>19,520</b>	<b>601,800</b>	<b>17,407</b>	<b>619,207</b>
<b>NET OPERATING INCOME</b>	<b>41,220</b>	<b>(52,923)</b>	<b>(11,703)</b>	<b>90,000</b>	<b>78,297</b>	<b>(51,724)</b>	<b>(10,504)</b>	<b>66,284</b>	<b>55,780</b>
101 Utility Plant in Service	2,465,657	664,000	3,129,657		3,129,657	0	2,465,657		2,465,657
Less:									
Depreciation Reserve	1,116,425	6,000	1,122,425		1,122,425	(5,126)	1,111,299		1,111,299
271 Contributions in Aid of Const	0	0	0		0	984,616	984,616		984,616
Unamortized Retired Plant	0	0	0		0	0	0		0
272 Accum. Amortization of CIAC	0	0	0		0	(341,526)	(341,526)		(341,526)
281 Accum. Deferred Income Tax	0	0	0		0	53,217	53,217		53,217
Net Utility Plant	1,349,232	658,000	2,007,232	0	2,007,232	(7,197)	1,342,035	0	1,342,035
Plus: (working capital)									
Materials and Supplies Inventor	19,750	0	19,750		19,750	0	19,750		19,750
Working Cash	34,616	810	35,426		35,426	723	35,339	14	35,353
<b>TOTAL RATE BASE</b>	<b>1,403,598</b>	<b>658,810</b>	<b>2,062,408</b>	<b>0</b>	<b>2,062,408</b>	<b>(6,474)</b>	<b>1,397,124</b>	<b>14</b>	<b>1,397,138</b>
<b>Rate of Return</b>	<b>2.94%</b>		<b>-0.57%</b>		<b>3.80%</b>		<b>-0.75%</b>		<b>3.99%</b>



Roats Water Systems Inc.  
UW 107

**SUMMARY OF ADJUSTMENTS**

Staff  
Adjustments

Residential/Comm Water Sales	26,416	Additional revenue based on customer counts.
Commercial Water Sales	3,039	Additional revenue based on customer counts.
Sales for resale	(28,857)	Removed non-customer revenue.
Fire	(15,424)	Removed non-customer revenue.
Revenue other than water sales	(7,723)	Removed non-customer revenue.
Fire hookup CIAC Amortz	(9,655)	Removed non-customer revenue.
<b>TOTAL REVENUE</b>	<b>(32,204)</b>	
<b>Operating Expenses</b>		
Salaries and Wages	3,956	3 percent cost of living raises.
Officers Salaries and Wages	2,215	3 percent cost of living raises.
Employe Pension & Benefits	743	3 percent cost of living raises.
Purchased Water	0	
Purchased Power	0	
Chemicals	0	
Materials and Supplies	0	
Repairs	0	
Contract Service - Engineering	0	
Contract Service Accounting	(5,062)	Rate Case expenses removed.
Contract Service - Legal	0	
Contract Service - Testing	2,806	Required testing costs.
Rents of Equipment	0	
Transportation Expense	0	
Vehicle Insurance	0	
Liability Insurance	0	
Comp Insurance	0	
Amort. of Rate Case Expenses	2,531	Rate case expenses amortized over two years.
Reg Commission	1,478	Calculated
Bad Debt Expense	0	Total
General Expense	0	
<b>TOTAL OPERATING EXPENSES</b>	<b>8,667</b>	
Depreciation Expense	14,728	Increase to reflect new plant and other adjustments.
Amortization Expense	0	
Taxes Other Than Income Tax	0	
Oregon Income Tax	(968)	Calculated
Federal Income Tax	(2,907)	Calculated
<b>TOTAL REVENUE DEDUCTION</b>	<b>19,520</b>	
<b>NET OPERATING INCOME</b>	<b>(51,724)</b>	
Utility Plant in Service	683,984	New plant
Less:		
Depreciation Reserve	(5,126)	Calculated
Contributions in Aid of Const	984,616	CIAC from 2004 Annual Report (as required by UW 74).
Unamortized Retired Plant	0	
Accum. Amortization of CIAC	(341,526)	Accumulated amortization of CIAC from 2004 Annual Report (as required in UW 74).
Accum. Deferred Income Tax	53,217	Calculated based on accelerated depreciation since last rate case.
<b>NET UTILITY PLANT (Adjustments)</b>	<b>(7,197)</b>	

**Containing Rules and Regulations  
Governing Water Utility Service**

**NAMING RATES FOR**

**ROATS WATER SYSTEM, INC  
61147 Hamilton Lane  
Bend, OR 97702**

**541-382-3029**

**Serving water in the vicinity of  
Bend, Oregon**

Issue Date		Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.		
Signed By	William K. Roats		

## Table of Contents

<u>Schedule No.</u>		<u>Page No.</u>
	Title Page.....	1
	Index.....	2
1	Residential and Commercial Metered Rates.....	3
2	Cross Connection Control Program.....	4
3	Miscellaneous Charges.....	7
4	Fire Service Rates.....	8
5	Residential/Multi-Residential Development Charge.....	9
	Rules and Regulations.....	10

Issue Date		Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.		
Signed By	William K. Roats		

**SCHEDULE NO. 1**

**RESIDENTIAL AND COMMERCIAL METERED RATES**

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

Applicable: To residential and commercial premises.

**Monthly Base Rate**

Meter Size	Monthly Base Rate	Usage Allowance	Unit of Measure
5/8 or 3/4 inch	\$26.80	NONE	cubic feet
1 inch	\$32.16	NONE	cubic feet
1 1/2 inches	\$38.59	NONE	cubic feet
2 inches	\$49.58	NONE	cubic feet

**Multi-Residential Metered rates**

Meter Size	Monthly Base Rate	Usage Allowance	Unit of Measure
Includes all meters	\$26.80 x No. of Dwelling Units	NONE	cubic feet

**Commodity Usage Rate**

Commodity Rate	Per	Number of Units	Unit of Measure	Above	Usage Allowance	Unit of Measure
\$0.762	Per	100	cubic foot	Above	None	cubic feet

**Special Provisions:**

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

Issue Date		Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.		
Signed By	William K. Roats		

**SCHEDULE NO. 2**

**CROSS CONNECTION CONTROL PROGRAM**

**BACKFLOW PREVENTION DEVICE TESTING FEES**

**PURPOSE**

Roats desires to offer backflow prevention device testing to customers who own backflow prevention devices.

**AVAILABLE**

To customers of Roats Water System Inc., in Bend, Oregon, and vicinity.

**APPLICABLE**

To residential and commercial/industrial premises with backflow prevention devices installed at the meter.

**PROGRAM DESCRIPTION**

Service plans include:

The required annual testing of backflow prevention devices by a state certified tester pursuant to Oregon Administrative Rules 333-061-0070 through OAR 333-061-0072.

Roats offers two plans and payment options for services provided by the Company:

1. The \$2.50 Easy Monthly Amount
2. The \$30.00 Automatic Renewal Plan

Issue Date		Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.		
Signed By	William K. Roats		

**BILLING RATES**

The \$2.50 Easy Monthly Amount

This option includes testing on 1" or smaller customer-owned backflow device installed with the water meter. Annual tests are automatically scheduled at the customer's convenience prior to the annual backflow prevention device testing deadline. The customer will be billed \$2.50 per month as a separate line item on the Customer's monthly water bill. The customer will be charged \$15 (\$1.25 per month) for each additional device at the same location.

The agreement will automatically renew annually, unless the customer notifies Roats in writing, 15 days prior to termination, that he/she wishes to terminate the contract. Customers may withdraw from this tariff at any time with a 15-day written notice to Roats.

Under this plan, the customer agrees that if the water account closes or if the agreement is terminated after the required annual test of the device has been completed; but prior to the completion of the 12 month period, the customer agrees to pay any difference owing to cover the annual \$30.00 cost (and \$15 for additional devices).

The \$30.00 Automatic Renewal Plan

The \$30.00 Automatic Renewal Plan includes testing on 1" or smaller customer-owned backflow prevention devices installed with the water meter. The Customer will be billed annually upon completion of the test. Customers will only be billed once per year. The \$30 charge will be listed separately on the customer's billing. Annual tests are automatically scheduled at the customer's convenience prior to the annual backflow device test deadline. The customer will be charged \$15 for each additional device at the same location.

The agreement will automatically renew annually, unless the Customer notifies Roats in writing, 15 days prior to termination, that he/she wishes to terminate the contract. Customers may withdraw from this tariff at any time with a 15-day written notice to Roats.

Under this plan, the customer agrees that if the water account closes or if the agreement is terminated after the required annual test of the device has been completed, the customer agrees to pay the annual \$30.00 cost.

Issue Date		Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.		
Signed By	William K. Roats		

**Special Provisions**General

1. The customer is under no obligation to use the Company's backflow protection device testing services.
2. The customer can choose any qualified company or individual to test his/her backflow prevention device.
3. The Company will provide each customer with notification of the backflow prevention service options being offered. The notification shall include (1) an agreement for service that allows the customer to indicate which plan and payment arrangement the customer chooses, and (2) a written refusal of Roats' service.
4. Customers who choose not to use Roats' backflow prevention services must sign the written refusal and return it to the Company.
5. Customers who choose not to use Roats' backflow prevention services must notify Roats of the name of the company chosen and date backflow test is scheduled.
6. To receive the Company's backflow prevention device service, the customer must sign an agreement for the service and payment plan requested. By signing the agreement, the customer is giving Roats permission to test the customer-owned backflow prevention device(s).
7. Roats reserves the right to propose before the OPUC any change in the amount charged for the backflow prevention device testing, maintenance, and repair services.
8. Customers will be given the choice of accepting or rejecting a new agreement in advance of any rate increase.
9. Roats will separately itemize the backflow prevention device service fee on customer bills.

Issue Date		Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.		
Signed By	William K. Roats		

**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 3/4-inch service	\$450.00
Nonstandard 3/4 inch service	At cost
Larger than 3/4-inch	\$450.00 (plus additional costs)
Irrigation hookup (if provided on separate system)	\$450.00
Connection Fireflow Charge	\$1.00 per square foot measured by Building outside dimensions

Meter Test (Rule No. 21)

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

Pressure Test (Rule No. 40)

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

Late-Payment Charge (Rule No. 22)

Charged on amounts more than 30 days past due Pursuant to OAR 860-036-0130 (as of 1/1/05 – 1.7%)

Deposit for Service (Rule No. 5)

Pursuant to OAR 860-036-0040(2) Pursuant to OAR 860-036-0050 (as of 1/1/05 – 2%)

Returned-Check Charge (Rule No. 23)

\$20

Trouble-Call Charge (Rule No. 36)

During normal office hours	\$25 per hour
After normal office hours on special request	\$50 per hour

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

During normal office hours	\$20
After normal office hours on special request	50

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)

\$30

Backflow Prevention Device Repairs (Rule No. 43)

Materials - at cost  
Labor - \$25 per hour

Issue Date	Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.	
Signed By	William K. Roats	



**SCHEDULE NO. 4**

**FIRE SERVICE RATES**

Available: To fire service customers of the Company in the area of Deschutes County.

Applicable: To fire service customers with privately-owned and maintained fire service lines and standpipes connected to company mains. Also to include Company owned fire hydrants or standpipes benefiting commercial companies.

Base Charge Per Month: Dependent upon the size of service installed.

**FIRE SERVICES**

4" Supply and smaller	\$5.00
6" Supply	\$11.00
8" Supply	\$15.00
10" Supply and larger	\$25.00

Issue Date	Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.	
Signed By	William K. Roats	

SCHEDULE NO. 5RESIDENTIAL/MULTI-RESIDENTIAL DEVELOPMENT CHARGE

Applicable: For residential development.

Residential Development Charge (Rule 9a)

## Charge Based on Lot Size:

Less than 4,000 sq. ft.	\$	975.00
At least 4,000 sq. ft, but less than 6,000 sq. ft.		1,375.00
At least 6,000 sq. ft., but less than 10,000 sq. ft.		1,975.00
At least 10,000 sq. ft., but less than 20,000 sq. ft.		2,675.00
20,000 sq. ft. or more		3,175.00

Master Meter Development Charge (Rule 9a)

## Meter Size

1" meter – serves up to 2 households	\$	1,560.00
1 ½" meter – serves up to 4 households		3,120.00
2" meter – serves up to 8 households		6,240.00
3" meter – serves up to 12 households		9,360.00
4" meter – serves up to 33 households		25,740.00
6" meter – serves up to 67 households		52,260.00
8" meter – serves up to 117 households		91,260.00
10" meter – serves up to 183 households		142,740.00

For development projects with household counts falling between the above meter count range, the Master Meter Development Charge will be prorated at \$780 per household.

Example: 20 households = 4" meter  
20 x \$780 = \$15,600

Issue Date		Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.		
Signed By	William K. Roats		

**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 **ROATS WATER SYSTEM INC.**
- 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 (twenty) days after discontinuance retains customer status.
- E. "Residential customer premises" shall mean any dwelling and its land including, but not limited to, a house, apartment, condominium, townhouse, cottage, cabin, mobile home, or trailer house.
- F. "Commercial customer premises" shall mean any premises at which a customer carries on any major activity of gaining a livelihood or performing a public service. Such activity may be of a business, industrial, professional, or public nature.
- G. "Main" shall mean the pipe laid in the street, alley, or other right-of-way for the distribution of water to customers. It shall not include service lines.
- H. "Service connection" shall mean the pipe, stops, fittings, meter, and meter box laid from the main to the property line of the premises served.
- I. "Customer line" shall mean the pipe, stops, and fittings leading from the property line to the premises served.

Issue Date		Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.		
Signed By	William K. Roats		

J. Point of Delivery is the property line or the outlet swivel/union of the meter defining where the service connection stops and the customer line starts.

**APPLICATION FOR SERVICE**

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

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

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

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

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

An application for water service must be made where:

- A. An applicant who has not previously been served by the water utility requests service;
- B. Service has been involuntarily discontinued in accordance with the utility and Commission rules, and service is sought;

Issue Date	Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.	
Signed By	William K. Roats	

- C. Service has been voluntarily discontinued and a request to restore service has not been made within 20 days; or
- D. There is a change in the identity of a customer, the type of use to which the water is put, or the number of premises served.

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

In accordance with the Commission's rules for credit establishment and deposit waiver, an applicant or a customer may be required to make a deposit to secure payment of bills for service. The deposit shall not exceed one-sixth (1/6) the amount of reasonable estimated billings for one year's use of service at the premises during the prior year or upon the type and size of the customer's equipment that will use the service. (OAR 860-036-0040)

The utility shall pay interest on deposits at the rate established by the Commission. After the customer has paid bills for service for 12 consecutive months without having had service discontinued for nonpayment, or more than two occasions in which a shut-off notice was issued, and the customer is not then delinquent in the payment of bills, the utility shall promptly and automatically refund the deposit plus accrued interest by):

- 1) issuing the customer a refund check

Rule 6: Customer Service Line

The customer shall own and maintain the customer service line and promptly repair all breaks and leaks. The utility shall not be responsible for any damage or poor service due to inadequacy of the customer line or any portion of the customer's plumbing. All leaks in the customer line, faucets, and all other parts of the plumbing owned or controlled by the customer shall be promptly repaired so as not to waste water.

Rule 7: Separate Control of Service

All premises supplied with water will be served through service lines so placed as to enable the utility to control the supply to each individual premises using a valve placed within and near the line of the street, the utility right-of-way, or at the meter.

Issue Date		Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.		
Signed By	William K. Roats		

Rule 8: Service Connections (OAR 860-036-0060)

The utility shall furnish and install at its own expense all necessary trenching, pipe, valves, and fittings between its main line and the customer's service line. Such installation shall be designated as the service connection. The utility shall own, operate, maintain, and replace the service connection when necessary and promptly repair all breaks and leaks. The customer shall not be responsible for any damage or poor service due to inadequacy of the service lines or any portion of the utility's plumbing.

Rule 9: Service Connection Charge

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

The fireflow charge is assessed in addition to the meter set charge and applies to a new water service only when fireflow requirements are imposed by the fire department on a new structure, or a structure being remodeled requiring a building permit, which requires changes in existing fireflow requirements or a structure whose use is changing to the extent that it now for the first time, has fireflow requirements. If the structure being built or remodeled is in addition to an existing structure, which already satisfied fireflow requirements, then the fireflow charge will apply only to the additional structure.

The fireflow charge applies when the imposed fireflow requirements involve either a fire suppression system in the structure or fire hydrant(s) in the vicinity. The fireflow charge also applies when the structure benefits from the fire hydrant(s), which already exist in the vicinity sufficient to satisfy the imposed fireflow requirements.

Rule 9a:

The residential development charge is assessed (based on the lot size) on any lot or lots for which a permanent new water service is established to serve one or more residential dwellings. The residential development charge is assessed in addition to the meter set charge.

A residential development located on a single tax lot for which a metered water service is established to serve multiple residences, shall (in lieu of the charge based on lot size) be assessed a residential development charge based on the size of the master water meter required to serve the development (including all area to be served in future phases of the development).

Issue Date		Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.		
Signed By	William K. Roats		

Subsequent to setting the meter(s) or master meter and payment of fees, if lots within the development become separately identified tax lots, the developer(s) of the separately identified tax lots will then be assessed an additional charge equal to the greater of (a) or (b), and reduced by (c); where (a) is a residential development charge (Based on each individual new lot size), (b) is the master meter set charge, and (c) is the fee previously paid to set the master meter for this development. In the event that this calculation produces a number less than zero, no refund will be given, and the amount of the fee shall be zero.

Any commercial development within the mastered residential development area shall be assessed a fireflow charge instead of a residential development charge. The fireflow charge shall be assessed on the entire structure containing the commercial enterprise, even though a portion of the structure may be for residential use. The lot occupied by the commercial development shall be excluded from any residential development charge.

Rule 10: Main Line Extension Policy (OAR 860-036-0065)

The utility shall specify the size, character, and location of pipes and appurtenances in any main line extension. Main line extensions shall normally be along streets, roads, highways, or other satisfactory rights-of-way. All construction work shall conform to all applicable rules, regulations, codes, and industry standards. Each main line extension shall normally extend along applicant's property line to the point the applicant's service line would be at a 90-degree angle to the street or main line.

Rule 11: Main Line Advances and Refunds Policy

Definitions

- a) Reach: Any section of a main that contains no connections, branches, etc.
- b) Original customer cost of a main extension: The cost of the smallest size extension necessary to serve the customer(s) who request that extension, plus one-half the cost of any over-sizing up through 12 inches deemed desirable by the utility. The cost of over-sizing over 12 inches, and all costs of loop completion, shall not be included.
- c) Customer cost of the reach: The original customer cost of the main extension of which the reach was a part, times the length of the reach divided by the length of that extension.
- d) Share of a reach: The customer cost of a reach divided by the number of customers to be served through that reach.

Issue Date		Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.		
Signed By	William K. Roats		

e) Share differential: The amount the share of a reach decreases when a new customer is served through that reach.

Note: Any loop completion installed by the utility shall be deemed closed at its midpoint, when determining which reaches serve a particular customer.

Specifications

The utility shall specify the size, character, and location of pipes and appurtenances in any main extension. Main extensions shall normally be along streets, roads, highways, or other satisfactory rights-of-way. All construction work shall conform to recognized Roats Water System, Inc. standards.

Each main extension shall normally extend at least 100 feet along the frontage of the property to be served, or to the midpoint of that frontage, whichever is less.

Advances and Refunds

Each new customer requesting a main line extension shall advance the utility the share of each reach through which the customer is to be served, including the main extension.

After construction of the requested main extension, the utility shall refund to each new customer the total of the customer costs of the reaches through which the customer is served, times 50 feet divided by the total of the length of those reaches. Further, the utility shall refund to each old customer the share differential of each reach through which the customer is served.

Exceptions: a) No customer shall be refunded more than the amount originally advanced; b) No part of the distribution system installed prior to five years from the request for a main line extension shall be used to calculate any customer advance or refund.

Rule 12: Types of Use

Water service may be supplied for residential, commercial, irrigation, temporary construction, special contracts, fire prevention, and other uses. The utility shall file separate rate schedules for each type of use and basis of supply.

Issue Date		Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.		
Signed By	William K. Roats		



Rule 13: Multiple Residences

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

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

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

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

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

**REFUSAL OF SERVICE**

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

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

- A. An overdue amount remains outstanding by a customer at the service address;
- B. The applicant resided at the service address indicated in (A) during the time the overdue charges were incurred; or
- C. The person indicated in (A) will reside at the location to be served under the new application.  
(OAR 860-036-0080)

Service shall not be refused for matters not related to water service. Residential service shall not be refused due to obligations connected with nonresidential service.

Issue Date		Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.		
Signed By	William K. Roats		

If service is refused under this rule, the utility shall inform the applicant or customer of the reasons for the refusal and of the Commission's dispute resolution process.

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

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

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

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

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

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

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

Issue Date		Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.		
Signed By	William K. Roats		

**METERS**

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

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

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

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

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

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

The meter shall be tested prior to or within 30 (thirty) days of installation to determine it is accurate to register not more than 2 percent error. No meter shall be allowed to remain in service if it registers an error in excess of 2 percent under normal operating conditions. The utility shall maintain a record of all meter tests and results. Meter test result records shall include:

- A. Information necessary to identify the meter;
- B. Reason for making the test;
- C. Date of test;
- D. Method of testing;
- E. Meter readings;
- F. Test results; and
- G. Any other information required to permit convenient checking of methods employed.

Issue Date		Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.		
Signed By	William K. Roats		

Rule 21: Customer-Requested Meter Test (OAR 860-036-0115)

A customer may request that the utility test the service meter; such test shall be made within 20 working days of the receipt of such request at no cost to the customer. The customer has the right to be present during said test, which is to be scheduled at a mutually agreeable time. A written report shall be provided to the customer stating:

- A. Customer's name;
- B. Date of the customer's request;
- C. Address at which the meter has been installed;
- D. Meter identification number;
- E. Date of actual test; and
- F. Test results.

If a customer requests a meter test more often than once in any 12-month period, the deposit listed on the Miscellaneous Service Charges Schedule may be required to recover the cost of the test. If the meter is found to register more than 2 percent fast under conditions of normal operation, the utility shall refund the deposit to the customer.

**BILLING**

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

Bills are due and payable when rendered by deposit in the mail or other reasonable means of delivery. As near as practical, **meters shall be read at monthly intervals** on the corresponding day of each meter reading or billing period. The bill shall be rendered immediately thereafter. (OAR 860-036-0120(3) requires water utilities to bill at monthly intervals. A utility may request upon application special authority by the Commission to bill at intervals other than monthly.) The utility shall make reasonable efforts to prepare opening and closing bills from actual meter readings. When there is good reason for doing so, estimated bills may be submitted. Any estimated billings shall be clearly designated as such.

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

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

Issue Date	Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.	
Signed By	William K. Roats	

All water service bills shall show:

- A. Beginning and ending meter readings for the billing period;
- B. Beginning and ending dates of the period of service to which the bill applies;
- C. For all metered bills, beginning and ending meter readings for the period for which the bill is rendered;
- D. Number of units of service supplied stated in gallons or cubic feet;
- E. Schedule number under which the bill was computed;
- F. Delinquent date of the bill;
- G. Total amount due; and
- H. Any other information necessary for the computation of the bill.

Rule 23: 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 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, the meter will be read upon opening and closing a customer's account. Consumption will be charged at scheduled rates. Any minimum monthly charge will be prorated.

Rule 25: Adjustment of Bills (860-036-0135)

When an underbilling or overbilling occurs, the utility shall provide written notice to the customer detailing the circumstances, period of time, and the amount of the adjustment. If it can be shown that the error was due to an identifiable cause, the date of which can be fixed, the overcharge or undercharge shall be computed back to such date. If no date can be fixed, the utility shall refund the overcharge or rebill the undercharge for no more than six months' usage. In no event shall an overbilling or underbilling be for more than three years' usage. No billing adjustment shall be required if a meter registers less than 2 percent error under conditions of normal operation.

Issue Date	Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.	
Signed By	William K. Roats	

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.

### DISCONNECTION OF WATER SERVICE

#### Rule 26: Voluntary Discontinuance (OAR 860-036-0210)

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

#### Rule 27: Emergency Disconnection (OAR 860-036-0215)

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

#### Rule 28: Disconnection of Water Service Charge for Cause (OAR 860-036-0205 and 0245)

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

- A. The reason(s) for the proposed disconnection;
- B. The earliest date for disconnection;

Issue Date		Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.		
Signed By	William K. Roats		

- C. The amount to be paid to avoid disconnection;
- D. An explanation of the time-payment provision of OAR 860-036-0125;
- E. Information regarding the Commission's dispute resolution process; and
- F. The Commission's Consumer Services toll-free number, 1-800-522-2404.

Prior to disconnection on the day that the water utility expects to disconnect service, the utility must make a good-faith effort to physically contact the customer to be disconnected or an adult at the customer's premise to be disconnected to advise the customer or adult of the proposed disconnection. If contact is not made, the utility shall leave a notice in a conspicuous place at the customer's premise informing the customer that service has been or is about to be disconnected. The utility shall document its efforts to provide notice and make that documentation available to the customer upon request.

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

The utility shall not disconnect residential service due to the failure to pay or meet obligations associated with nonresidential service. (OAR 860-036-0225) water utility may not disconnect residential service for nonpayment if a customer enters into a written time-payment plan. The utility will offer such customers a choice of payment agreements between a levelized-payment plan and an equal-pay arrearage plan or some other mutually agreeable alternate payment arrangement agreed to in writing. (OAR 860-036-0125)

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

Rule 29: Reconnection Charge and Disconnection Visit Charge (OAR 860-036-0080 and 0245(7))

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

Issue Date		Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.		
Signed By	William K. Roats		

Rule 30: Unauthorized Restoration of Service

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

Rule 31: Unauthorized Use

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

Rule 32: Interruption of Service (OAR 860-036-0075)

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

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

Rule 33: 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	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.		
Signed By	William K. Roats		



- 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 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.

**SERVICE QUALITY**

Rule 35: System Maintenance (OAR 860-036-0305)

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

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

Rule 36: 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.

Issue Date	Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.	
Signed By	William K. Roats	

Rule 37: Water Purity (OAR 860-036-0310)

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

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

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

Rule 38: Water Pressure (OAR 860-036-0315)

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

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

Rule 39: 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 40: 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

Issue Date	Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.	
Signed By	William K. Roats	

ORDER NO. **05 811**

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 41: Maps/Records (OAR 860-036-0335)

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

Rule 42: Utility Line Location (One Call Program) (OAR 860-036-0345)

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

Rule 43: Cross Connection/Backflow Prevention Program

Pursuant to OAR 333-061, and in accordance with Company Cross Connection Regulation, the Company's Schedule 2, and Oregon Public Utility Commission rules and regulations, the Company may require installation and testing of an approved backflow prevention device. Failure on the part of any customer to comply with these rules and regulations, may result in discontinuance of service in accordance with Rule 28..

Issue Date		Effective Date	JULY 1, 2005
Issued By	ROATS WATER SYSTEM, INC.		
Signed By	William K. Roats		