

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UW 129

In the Matter of)	
)	
OLD SHEEP RANCH WATER)	ORDER
ASSOCIATION)	
)	
Proposed Tariff for Water Service.)	
Advice No. 08-28)	

DISPOSITION: STIPULATION ADOPTED; RATE REDUCTION APPROVED

Old Sheep Ranch Water Association (OSRWA or Association), located in Langlois, Oregon, provides domestic water service to approximately 33 residential customers. On May 16, 2008, OSRWA filed an application (Application) and associated tariffs in Advice No. 08-28 requesting a general rate decrease resulting in annual revenues of \$11,880 to become effective July 1, 2008. No change in rates was sought.

Procedural History. At its June 10, 2008, Public Meeting, the Commission found good and sufficient cause to investigate the tariffs, and by Order No. 08-331, entered June 17, 2008, the tariffs were suspended for a six-month period.

On July 16, 2008, a prehearing conference in this docket was held in Bandon, Oregon. The Association was represented at the conference by its president, Ray Todd, and treasurer, Denis Smart. Members of the Commission staff (Staff) were also present. Marc D. Edwards, a member of the Association moved to intervene and become a party to the proceeding, and, without objection, the motion was granted by the Administrative Law Judge (ALJ). The parties agreed upon a schedule for the proceeding, which the ALJ adopted.

By letter of September 10, 2008, the parties notified the ALJ that all of the parties had reached a settlement in principle and asked that the schedule be suspended. The request was granted and, on September 11, 2008, the ALJ issued a Ruling suspending the schedule. On September 25, 2008, the parties jointly filed a stipulation (Stipulation) and Staff Direct Testimony, Staff/100, Sloan/1-9, and Exhibits in Support of Direct Testimony, Staff/101, Sloan/1-5.

The Initial Application. OSRWA had 2007 annual revenues of \$12,763. The Association proposed a downward adjustment resulting in a revenue requirement of \$11,880 to reflect reductions in payments for accounting and legal services. The Application proposed a Utility Plant in Service of \$26,400; no Depreciation Reserve; and \$990 in Working Cash, resulting in a Total Rate Base of \$27,390. As a non-profit association, OSRWA proposed a zero percent return on rate base.

The Staff Analysis. Staff reviewed the Application and proposed several adjustments. First, using the National Association of Regulatory Commissioners (NARUC) Depreciation Service Lives Methodology, Staff calculated that there should be a \$4,848 depreciation reserve, yielding a Net Utility Plant of \$21,552. Calculating Working Cash at 1/12 of the total operating costs, Staff proposed a figure of \$958, yielding a Total Rate Base of \$22,510.¹ Staff concurred in the OSWRA-proposed zero return on rate base.

Staff also proposed the following account adjustments:

- a. Removal of \$407 imputed revenues for a customer who receives water in lieu of wages for performing system operator duties.
- b. Transfer of \$45 from postage expense to chemicals expense because the expense was for delivery of chemicals, resulting in a Chemicals Account total of \$1,068. Because OSWRA had a three-year supply of chemicals on hand, Staff proposed that the total be amortized over three years, for an annual expense of \$356.
- c. Removal of \$829 from the O&M Materials and Supplies Account because it duplicated the Chemicals Account.
- d. Based on the 2007 Audit Report, an upward adjustment in Repairs from \$1,920 to \$3,861.
- e. Removal of \$584 from the Engineering account because the amount was for a survey included in Plant Expense.
- f. Reduction in Testing Expense of \$421 to reflect the three-year average of testing costs.
- g. Addition of \$1,142 to the Transportation Expense Account to cover the cost of fuel used when collecting water samples and delivering the samples to the lab and for travel required when purchasing parts and supplies.²

¹ Staff/100, Sloan/4.

² *Id.* at 5-6.

Staff also recommended the elimination of the \$10,000 System Development Fee for new customers from the Association’s Bylaws. Since OSRWA is now regulated by the Commission, the connection fee must be cost-based. On a going-forward basis, infrastructure charges will be shared proportionally by customers. Furthermore, Staff recommended the elimination of the \$100 membership fee because customers now pay a connection fee for new service according to OSRWA’s Schedule 2, Miscellaneous Service Charges, making the membership fee unnecessary.³

The Stipulation. The parties stipulated to a 3.2 percent decrease in the total revenue requirement resulting in a revenue requirement of \$12,356 and total revenue deductions of \$12,356 and a zero rate of return on a total rate base of \$22,510. They also agreed to change the existing rate design by eliminating the 15,000 gallons currently included in the base rate. Customers will pay for all the water they use.⁴

The parties agreed to a monthly base rate of \$25.70 and a commodity rate of \$1.56 per 1,000 gallons, assigning 79.86 percent of the revenue requirement to the base rate and 20.14 percent to the usage rate. The changes in rates are summarized in the following tables:

Current Rates		
Base Rate	\$30.00	Includes 15,000 gallons
Commodity Rate	\$2.00 per 1,000 gallons	Above 15,000 gallons

Stipulated Rates		
Base Rate	\$25.70	No usage included
Commodity Rate	\$1.56 per 1,000 gallons	For all usage

An average customer, one who uses 4,159 gallons per month, will pay \$32.18, which is \$2.18 (7.25 percent) more than under the current rates. The parties agree that the rates are fair and reasonable and support an effective date of November 1, 2008, for the stipulated rates.⁵

Conclusion. The Commission admits the Stipulation and Staff Direct Testimony into the record in this docket. The Commission finds that the proposed revenue requirement and rate structure changes set forth in the Stipulation are fair and reasonable and should be approved.

³ *Id.* at 7.

⁴ *Id.* at 7-8.

⁵ *Id.* at 8-9.

ORDER

IT IS ORDERED that:

1. The Stipulation attached to this order as Appendix A is adopted. Old Sheep Ranch Water Association is authorized to reduce rates by \$407 or 3.2 percent, resulting in total annual revenues of \$12,356.
2. Old Sheep Ranch Water Association shall charge rates in accordance with the rate schedules in tariff PUC Oregon No. 1, Original Sheet Nos. 1-23, set forth in Attachment B to the Stipulation in Appendix A of this Order.
3. Tariffs filed in Advice No. 08-28 are permanently suspended.
4. Revised tariffs set forth in the Stipulation shall become effective November 1, 2008.

Made, entered, and effective OCT 27 2008.



Lee Beyer
Chairman



Ray Baum
Commissioner



John Savage
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 129

In the Matter of OLD SHEEP RANCH)	
WATER ASSOCIATION'S Proposed)	STIPULATION
Tariffs for Water Service.)	

Old Sheep Ranch Water Association (OSRWA or Association), Intervenor
 Marc D. Edwards, representing himself; and the Public Utility Commission Staff
 (Staff) appearing by and through its attorney, Jason W. Jones, Assistant Attorney
 General, (Parties) enter into this agreement in settlement of all issues between them.

1.

Staff's written testimony, marked as Staff/100, Sloan/1 - 9 through Staff/101,
 Sloan/1 - 5, and Attachments A and B to this stipulation, will be received in evidence
 pursuant to this stipulation without requiring any Party to lay a foundation for its
 admission.

2.

The Parties support and recommend the Commission adopt a 3.2 percent
 reduction in revenues. Based on the test period, this decrease results in a total
 revenue requirement of \$12,356. The stipulated Revenue Requirement is included
 as Attachment A.

3.

The Parties agree to total revenue deductions of \$12,356. Additionally, the
 Parties support a zero percent return on the \$22,510 rate base.

1 4.

2 The Parties agree and support a residential base rate of \$25.70, and a usage
3 rate of \$1.56 per 1,000 gallons. The rate agreed to by the Parties is set forth in the
4 tariff sheet designated PUC Oregon No. 1, Original Sheet No. 3. The Association's
5 tariffs and rules are contained in Attachment B.

6 5.

7 The Parties also agree and support the Association charging Miscellaneous
8 Services Charges according to Schedule No. 2 as set forth in the tariff sheet
9 designated as PUC Oregon No. 1, Original Sheet No. 4.

10 6.

11 The Parties agree and support having the tariffs go into effect on November 1,
12 2008.

13 7.

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

18 8.

19 The Parties recommend that the Commission adopt this stipulation in its
20 entirety. The Parties have negotiated this stipulation as an integrated document.
21 Accordingly, if the Commission rejects all or any material portion of this stipulation,
22 each Party reserves the right, upon written notice to the Commission and all Parties

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

4 9.

5 The Parties understand that this stipulation is not binding on the Commission
6 in ruling on this application and does not foreclose the Commission from addressing
7 other issues.

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9 DATED this 22nd day of September 2008.

10 Respectfully submitted,

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12 HARDY MYERS
13 Attorney General

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

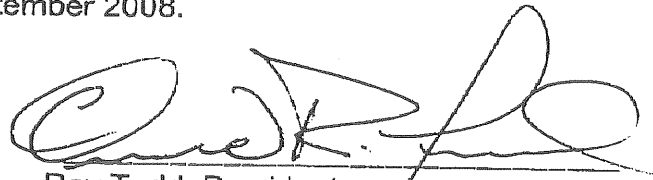
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1 to this proceeding within 15 days of the date of the Commission's order, to withdraw
2 from the stipulation and request an opportunity for the presentation of additional
3 evidence and argument.

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5 9.

6 The Parties understand that this stipulation is not binding on the Commission
7 in ruling on this application and does not foreclose the Commission from addressing
8 other issues.

9 DATED this 22 day of September 2008.

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12 Ray Todd, President
13 Old Sheep Ranch Water Association
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1 to this proceeding within 15 days of the date of the Commission's order, to withdraw
2 from the stipulation and request an opportunity for the presentation of additional
3 evidence and argument.

4 9.

5 The Parties understand that this stipulation is not binding on the Commission
6 in ruling on this application and does not foreclose the Commission from addressing
7 other issues.

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9 DATED this 16 day of September 2008.

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Marc D. Edwards
Intervenor

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OLD SHEEP RANCH WATER ASSOCIATION
UW 129
Test Year: 2007

Company Case
0.0%

Staff
-3.2%

			A	B	C	D	E	F	G
	Acct. No.	REVENUES	Balance Per Application Test Year: 2007	Proposed Company Adjustments	Adjusted Results (A+B=C)	Proposed Staff Adjustments	Adjusted Results (A+D=E)	Staff Proposed Rev Changes	Proposed Results (E+F+=G)
1	461.1	Residential Water Sales	12,763	0	12,763	0	12,763	(408)	12,355
2		Other	0	0	0	0	0	0	0
3		TOTAL REVENUE	12,763	0	12,763	0	12,763	(407)	12,356
4					12,763	0	12,763		12,355
5		OPERATING EXPENSES							
6	601	Salaries and Wages - Employees	789	(789)	0	(789)	0		0
7	615	Purchased Power	808	80	888	0	808		808
8	618	Chemical / Treatment Expense	858	0	858	(502)	356		356
9	619	Office Supplies	485	0	485	0	485		485
10	619.1	Postage	298	200	498	18	316		316
11	620	O&M Materials/Supplies	829	0	829	(829)	0		0
12	621	Repairs to Water Plant	1,920	0	1,920	1,941	3,861		3,861
13	631	Contract Svcs - Engineering	884	0	884	(584)	300		300
14	632	Contract Svcs - Accounting	698	(177)	521	(177)	521		521
15	633	Contract Svcs - Legal	1,800	(800)	1,000	(667)	1,133		1,133
16	635	Contract Svcs - Testing	1,773	0	1,773	(421)	1,352		1,352
17	650	Transportation	0	1,142	1,142	1,142	1,142		1,142
18	656	Vehicle Insurance			0	0	0		0
19	657	General Liability Insurance	954	0	954	0	954		954
20	666	Amortz. of Rate Case			0	158	158		158
21	667	Gross Revenue Fee (PUC)			0	32	32	(1)	31
22	673	Training and Certification			0	0	0		0
23	674	Consumer Confidence Report			0	0	0		0
24	675	General Expense	98	20	118	(18)	80		80
25		TOTAL OPERATING EXPENSE	12,194	(324)	11,870	(695)	11,499	(1)	11,498
26					11,870	(695)	11,499		11,498
27		OTHER REVENUE DEDUCTIONS							
28	403	Depreciation Expense			0	848	848		848
29	407	Amortization Expense			0	0	0		0
30	408.11	Property Tax			0	0	0		0
31	408.12	Payroll Tax			0	0	0		0
32	408.13	Other (Business Taxes)	0		0	0	0		0
33	409.11	Oregon Income Tax	10		10	0	10	0	10
34	409.10	Federal Income Tax			0	0	0	0	0
35		TOTAL REVENUE DEDUCTIONS	12,204	(324)	11,880	153	12,357	(1)	12,356
36		NET OPERATING INCOME	559	324	883	(153)	406	(406)	0
37									
38	101	Utility Plant in Service	26,400	0	26,400	0	26,400		26,400
39		Less:							
40	108.1	Depreciation Reserve			0	4,848	4,848		4,848
41		Net Utility Plant	26,400	0	26,400	(4,848)	21,552	0	21,552
42		Plus: (working capital)			26,400		21,552		21,552
43	151	Materials and Supplies Inventory		0	0	0	0		0
44		Working Cash (Total Op Exp /12)	990	0	990	(32)	958	0	958
45		TOTAL RATE BASE	27,390	0	27,390	(4,880)	22,510	0	22,510
46		Rate of Return	2.04%		3.22%		1.81%		0.00%

	Company	Staff
number of customers	33	33
op/exp/cust/year	\$360	\$348
Cash Flow	\$883	\$848

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

NAMING RATES FOR

OLD SHEEP RANCH WATER ASSOCIATION

(name of utility)

PO BOX 1016

(address)

LANGLOIS OR 97450

(city, state, & zip code)

Ray Todd
 (541) 348-2032

(telephone numbers and type)

Serving water in the vicinity of

Langlois, Oregon

Issue Date		Effective for Service on and after	November 1, 2008
Issued By	OLD SHEEP RANCH WATER ASSOCIATION		(at least 30 days after PUC receives filing)
Signature			
Name & Title	Ray Todd, President		

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Signature			
Name & Title	Ray Todd, President		

SCHEDULE NO. 1

RESIDENTIAL METERED RATES

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

Applicable: To residential premises.

BASE RATE

Service Meter Size	Monthly Base Rate	Base Usage Allowance	Unit of Measure
5/8 or 3/4 inch	\$25.70	0	Gallons

COMMODITY USAGE RATE

Commodity Rate		Number of Units	Unit of Measure	Base Usage Allowance		Unit of Measure
\$1.56	Per	1,000	Gallons	Above	0	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. 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.

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Signature			
Name & Title	Ray Todd, President		

ADVICE NO. _____
 (PUC USE ONLY)

SCHEDULE NO. 2

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	At cost (does not include meter)
Nonstandard 3/4 inch service	At cost (does not include meter)
Larger than 3/4-inch	At cost (does not include meter)
Irrigation hookup (if provided on separate system)	At cost (does not include meter)

Meter Test (Rule No. 21)

First test within 12-month period	N/C
Second test within 12-month period	\$40

Pressure Test (Rule No. 40)

First test within 12-month period	N/C
Second test within 12-month period	\$40

Late-Payment Charge (Rule No. 22)

Charged on amounts more than 30 days past due	Pursuant to OAR 860-036-0130 (as of 1/1/08 - 1.7%)
---	---

Deposit for Service (Rule No. 5)

Pursuant to OAR 860-036-0040(2)	Pursuant to OAR 860-036-0050 (as of 1/1/08 - 4%)
---------------------------------	---

Returned-Check Charge (Rule No. 23)

\$30 each occurrence

Trouble-Call Charge (Rule No. 36)

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

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

During normal office hours	\$50
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)

\$20

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Signature			
Name & Title	Ray Todd, President		

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 OLD SHEEP RANCH WATER ASSOCIATION.
(name of utility)

B. "Applicant" shall mean any person, business, or organization that applies for service or reapplies for service at a new existing location after service has been discontinued, except as noted in the definition of "Customer."

C. "Commission" shall mean the Public Utility Commission of Oregon.

D. "Customer" shall mean any person, business, or organization who has applied for, been accepted to receive, or is currently receiving service. A customer who voluntarily discontinues service at the same or different premises within 20 (twenty) days after discontinuance retains customer status.

E. "Residential customer premises" shall mean any dwelling and its land including, but not limited to, a house, apartment, condominium, townhouse, cottage, cabin, mobile home, or trailer house.

F. "Commercial customer premises" shall mean any premises at which a customer carries on any major activity of gaining a livelihood or performing a public service. Such activity may be of a business, industrial, professional, or public nature.

G. "Main" shall mean the pipe laid in the street, alley, or other right-of-way for the distribution of water to customers. It shall not include service lines.

H. "Service connection" shall mean the pipe, stops, fittings, meter, and meter box laid from the main to the property line of the premises served.

I. "Customer Service line" shall mean the pipe, stops, and fittings leading from the property line to the premises served.

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

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Signature			
Name & Title	Ray Todd, President		

APPLICATION FOR SERVICE

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

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

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

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

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

An application for water service must be made where:

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

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Signature			
Name & Title	Ray Todd, President		

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 (**check one**):

- 1) Issuing the customer a refund check
- 2) Crediting the customer's account; however, a customer is entitled to a refund upon request pursuant to OAR 860-036-0055.

Rule 6: Customer Service Line

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

Rule 7: Separate Control of Service

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

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

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

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Rule 9: Service Connection Charge

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

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

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

Rule 11: Main Line Advances and Refunds Policy

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

For a period of 5 years after construction of the requested main line extension, the utility shall also collect from any additional applicants whose service connections or service lines shall connect to said main line extension an amount per foot equal to the new applicant's proportionate share of the main line extension cost for that portion used. The utility will then refund the share differential amount to those customers who previously shared the cost of said main line extension. Refunds shall not exceed the amount originally advanced.

No part of the distribution system installed prior to the request for a main line extension shall be used to calculate any customer advance or refund.

Rule 12: Types of Use

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

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Signature			
Name & Title	Ray Todd, President		

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 (OARs 860-036-0120(3)(b) and 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; and
- C. The person indicated in (A) will reside at the location to be served under the new application. (OAR 860-036-0080)

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

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Signature			
Name & Title	Ray Todd, President		

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 (OAR 860-036-0025).

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

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

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

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METERS

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

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

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

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

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

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

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

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

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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, OAR 860-036-0125 and OAR 860-036-0130)

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

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

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

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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.

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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;
- 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.

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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)

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

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

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

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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:

- 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.

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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.

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.

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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 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.

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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

See attached

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CROSS CONNECTION CONTROL ENABLING AUTHORITY
 For the

Old Sheep Ranch
PWS 4105860

Section 1: Cross Connection Control—General Policy

1.1 Purpose of the Enabling Authority:

The purpose of this enabling authority is to protect the public water supply of the Old Sheep Ranch from the possibility of contamination or pollution from any cross connection and to assure that approved backflow prevention assemblies are tested when put into service, repaired or relocated, and at least on an annual basis thereafter. This enabling authority is required by Oregon Administrative Rule (OAR) 333-061-0070 and 333-061-0071 for public water systems and the Uniform Plumbing Code (UPC), also known as the Plumbing Specialty Code, as adopted by the State of Oregon.

1.2 Responsibility: Water Purveyor (Old Sheep Ranch):

- 1.2.1 Old Sheep Ranch shall be responsible for the protection of the water distribution system from the foreseeable conditions leading to the possible contamination or pollution of the drinking water system due to the backflow of contaminants or pollutants into the drinking water supply.
- 1.2.2 Drinking water system surveys/inspections of the water distribution, when necessary, system shall be conducted by individuals deemed qualified by and representing . Survey/inspection records shall indicate compliance with OAR 333-061-0070 and 333-061-0071 and the UPC adopted by the State of Oregon.
- 1.2.3 The selection of the appropriate approved backflow prevention assembly for containment control at the required service shall be determined from the results of the system survey/inspection.

1.3 Responsibility: Consumer (Resident, user, renter)

- 1.3.1 To comply with this enabling authority as a term and condition of water supply and acceptance of his/her responsibilities as a water system user.

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- 1.3.2 It shall be the responsibility of the consumer to purchase, install and arrange testing and maintenance of any backflow prevention device/ assembly required to comply with this enabling authority. Failure to comply with this enabling authority shall constitute grounds for discontinuance of water service.
- 1.3.3 It shall be the responsibility of the owner of the backflow prevention device to provide the results of the annual test report to the manager of Old Sheep Ranch for its Annual Summary Report for the DHS Drinking Water Program.

Section 2: Definitions

- 2.1 Approved Backflow Prevention Assembly: means a Reduced Pressure Principle Backflow Prevention Assembly, Reduced Pressure Principle-Detector Backflow Assembly, Double Check Valve Backflow Prevention Assembly, Double Check-Detector Backflow Prevention Assembly, Pressure Vacuum Breaker Backsiphonage Prevention Assembly or Spill-Resistance Pressure Vacuum Breaker Backsiphonage Prevention Assembly, of a make, model, orientation and size approved by the Department. Assemblies listed in the currently approved backflow prevention assemblies list developed by the University of Southern California, Foundation for Cross-Connection Control and hydraulic research, or other testing laboratories using equivalent testing methods, are considered approved by the Department.
- 2.2 Backflow: means the flow of water or other liquids, mixtures, or substances into the distribution pipes of a potable supply of water from any sources other than its intended source, and is caused by backsiphonage or backpressure.
- 2.3 Backpressure: means an elevation of pressure downstream of the distribution system that could cause, or tend to cause, water to flow opposite of its intended direction.
- 2.4 Backsiphonage: means a drop in distribution system pressure below atmospheric pressure (partial vacuum), that would cause, or tend to cause, water to flow opposite of its intended direction.
- 2.5 Cross Connection: means any actual or potential unprotected connection or structural arrangement between the public or user's potable water system and any other source or system through which it is possible to introduce into any part of the potable system any used

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water, industrial fluid, gas, or substances other than the intended potable water with which the system is supplied. Bypass arrangements, jumper connections, removable sections, swivel, or change-over devices, and other temporary or permanent devices through which, or because of which, backflow can occur are considered to be cross connections.

- 2.6 **Department:** means the Oregon Department of Human Services (DHS).
- 2.7 **Premise Isolation:** means the practice of protecting the public water supply from contamination or pollution by installing backflow prevention assemblies at, or near, the point of delivery where the water supply enters the premise. Premise isolation does not guarantee protection to persons on the premise.

Section 3: Requirements

3.1 Policy:

3.1.1 No water service connection to any premise shall be installed or maintained by Old Sheep Ranch unless the water supply is protected as required by OAR 333-061-0070 and 333-061-0071, the Plumbing Specialty Code of Oregon and this enabling authority. Water service to a customer found to be in violation of this enabling authority shall be discontinued by Old Sheep Ranch after due process of written notification and an appropriate time allowance for voluntary compliance, if the customer fails to:

- a) Remove or eliminate an existing unprotected or potential cross connection;
- b) Install a required approved backflow prevention assembly;
- c) Maintain an approved backflow prevention assembly;
- d) Conduct the required testing of an approved backflow prevention assembly.

3.1.2 Each resident shall allow access for inspections during reasonable hours to authorized representative(s) of Old Sheep Ranch for the purpose of conducting a hazard assessment survey to determine whether cross connections, actual or potential, exist. Water service may be refused or terminated, or maximum backflow protection may be required, to the premises where access is denied.


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3.1.3 In the event of an actual backflow incident which endangers public health, water service may be terminated immediately and not restored until the cross connection is either eliminated or adequately protected.

3.2 Violation of this enabling authority

If violations of this enabling authority exist or if there has not been any corrective action taken by the customer within 14 days of the written notification of the deficiencies noted, then Old Sheep Ranch shall deny or immediately discontinue water service to the premises by providing a physical break in the service line until the customer has corrected the conditions(s) to be in conformance with applicable OAR and Plumbing Specialty Code regulations and statutes relating to plumbing, safe drinking water and this enabling authority.

This enabling authority is approved and adopted on this date 3-20-07, by



Secretary

and will remain in full force and in effect as of this date and shall remain in effect until such time as amended or eliminated.

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