

ORDER NO. 14 218

ENTERED JUN 16 2014

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UW 159

In the Matter of

ORDER

ALSEA PROPERTIES, INC.,  
WESTWOOD WATER SYSTEMS,

Application for a General Rate Revision.

**DISPOSITION: STIPULATION ADOPTED**

In this order, we adopt a stipulation reached between Alsea Properties, Inc., Westwood Water Systems (Alsea or the company), Steven Hartwig, and the Commission Staff that resolves all issues raised in Alsea's request for a general rate revision.

**I. INTRODUCTION**

Alsea filed an application for a general rate revision on November 26, 2013, requesting an increase in its annual revenues of \$30,268 (145 percent). On December 19, 2013, we suspended the proposed tariffs for six months (until June 30, 2014) while granting, subject to refund, an interim increase in the monthly residential base rate (from \$15.25 to \$23.00), an overall revenue increase of 35.5 percent.

A Public Comment Open House and Prehearing Conference were held in Waldport, Oregon, on January 30, 2014. About 30 members of the public attended the open house. At the prehearing conference, customer Steven Hartwig petitioned to intervene. His petition was granted orally by the administrative law judge.

Generally the discussion at the open house was in regard to service issues. Because of the service issues, Staff contacted a Circuit Rider (Rob Henry of HBH Consulting Engineers) to inspect the water system and file a report with the company and Commission Staff regarding the condition of the system and what improvements could be made to improve water quality. Staff also conferred with Amy Chapman of Lincoln County Health and Human Services regarding corrosion issues.

Staff conducted a workshop in Waldport on February 27, 2014. A settlement conference was held in Waldport on March 20, 2013. A second settlement conference was held in Waldport on May 1, 2013, where a settlement was reached between the parties.

On June 6, 2014, a stipulation was filed that settles all issues in this docket. Parties to the stipulation are Alsea, Staff, and Mr. Hartwig. The stipulation is attached to this order as Appendix A.

Also on June 6, 2014, Staff filed testimony in support of the stipulation. The stipulation and Staff's testimony are received as evidence.

## II. BACKGROUND

Alsea serves about 81 customers in Tidewater, Oregon, in the coastal range, near Waldport, Oregon. The company's water supply comes from two wells (one of which currently is not in service). Water flows by gravity from a 75,000 gallon redwood reservoir in which a tank liner was installed in December 2005.

Alsea became subject to regulation after the Commission received sufficient petitions from customers. Alsea's first (and only) rate case was filed in 1999 (docket UW 67). Rates were established in Order No. 99-690.

### A. Customer Complaints

At the public comment open house customers expressed dissatisfaction with their water service. Staff summarized those concerns in its testimony, and reported the results of its investigation.

Customers stated that they had to replace hot water heaters every two or three years due to corrosion. The Circuit Rider engaged by Staff found that the corrosion problems were caused by exhausted media in the calcite contractor, and that the problem could be resolved by routinely changing the media.

Customers complained that there was no lock on the tank or on the gate to the tank. Staff reports that these problems were corrected on or before October 23, 2013, in accord with the results of a survey of the water system by the Lincoln County Environmental Health Program Manager.

Numerous customers stated that the water tasted bad and was undrinkable. Staff notes that Alsea tested the water and, based on those results, the water is safe for consumption.

Customers stated that pipes throughout the system are old and need to be replaced, and that the main line running from the reservoir to the base of the hill is exposed and vulnerable. These deficiencies were confirmed by the Circuit Rider. To address these problems, Staff made allowances in the rates agreed upon in the stipulation.

Customers stated that the redwood tank is in poor condition and could fail. The Circuit Rider stated that the tank should be replaced eventually, but it can be relined until the replacement can be funded.

According to Staff, the customers realize that the improvements to the water system will require higher rates. At the first settlement conference, customers requested that Staff consider increasing the revenue requirement and rates above the level Staff had recommended to facilitate repairs and improvements to the system. The customers stated they would be willing to pay higher rates, provided a prioritized improvement list with tentative deadlines was produced that would assure the customers the needed repairs and improvements would be made.

#### **B. Sale of the Water Company**

One of the options discussed at the public comment open house was the sale of the water company, either to the customers organized in some manner, or to a buyer willing to improve the system. During the pendency of this proceeding Staff was advised that Alsea had negotiated a sale agreement with Hiland Water Company. Staff conferred with Hiland regarding Hiland's willingness to undertake the needed improvements to the system and found Hiland's response to be satisfactory.

Alsea notified its customers of the proposed sale on April 30, 2014, prior to the second settlement conference. Representatives from Hiland attended the settlement conference and discussed with the customers the system's deficiencies and Hiland's plans. Given the pending sale of the system and Hiland's plans for improvements, the customers agreed to pay increased rates above Staff's original settlement proposal.

Alsea and Hiland filed a property sales application with the Commission on May 27, 2014 (docket UP 300). Any issues relating to Hiland's plan for improvements will be addressed in that docket.

### **III. THE STIPULATION**

The stipulating parties propose that the Commission adopt a 141 percent increase over test year revenues, the entire rate increase requested by Alsea. The increase results in a total revenue requirement of \$51,107.

The parties agree to support a monthly residential metered customer base rate of \$31.55 and a commodity rate of \$.0067 per gallon of water use. The parties support a July 1, 2014, effective date for the new rates.

### **IV. STAFF TESTIMONY**

Based on its original analysis of Alsea's application, Staff proposed an annual revenue requirement of \$43,086, compared to the \$51,107 figure agreed to among the parties. Staff adjusted its recommendation upward, based on the willingness of the customers to

pay for improvements and repairs. The proposed revenue requirement is based on total revenue deductions of \$42,804, with a net operating income of \$8,516, for a 10 percent return on the rate base of \$85,172. Staff characterizes the increased revenue requirement as a step toward resolving the service issues.

Staff justified the increased revenue requirement by increasing expenses for repairs, operations and maintenance, and telecommunication to provide for better service, operations, and preventative maintenance. Staff also included capitalized plant as Construction Work in Progress (CWIP), which is scheduled to be completed and in service within six months of the entry of this order approving the parties' stipulation.

Staff states that the majority of its adjustments to cost of service were the result of transferring expenses to their appropriate accounts and removing expenses that could not be verified. Staff's more significant adjustments included:

1. An "auto dialer" to alert the company when the reservoir level is low (includes a phone line) at a cost of \$900 annually;
2. Adding \$750 for changing the media in the calcite contractor every eight months, \$2,500 for repairs, and moving \$1,074 from chemicals to testing; and
3. Adjustments to depreciation expense due to Staff's allowance of CWIP.

The net effect of Staff's adjustments was to increase total revenue deductions by \$5,565.

Regarding Alsea's utility plant, Staff states that it investigated the company's plant records, bringing plant and depreciation up to date. Staff allowed as CWIP projects in the amounts of \$14,750 for main line repair, \$17,750 for development of the second well (to be used for emergency backup), and added \$6,500 for expected engineering costs relating to a water rights certificate.

With respect to CWIP, Staff notes that the Commission is generally prohibited under ORS 757.355(1) from allowing public utilities to include CWIP in rates. Staff adds, however, that ORS 757.355(2) allows CWIP in rates for a water utility "if the water utility is required to use the additional revenues solely for the purpose of completing the capital improvement."

Staff states that the proposed rate design was crafted to provide sufficient revenue to operate the system, provide the company an opportunity to earn a reasonable rate of return, and provide sufficient revenues to cover operating costs during periods of low usage. The high ratio of base rate to variable rate reflects the high degree of seasonal usage.

Staff states that it typically allocates the revenue requirement 60 percent to the base rate and 40 percent to the commodity rate. Staff followed this standard in designing Alsea's rates. To determine the base rate Staff divided the revenue requirement by the number of customers and divided again by 12 months. To determine the commodity rate Staff divided the allocated revenue requirement by the number of gallons, based on consumption during the test year.

The stipulation results in an increase in Alsea's base rate from \$15.25 per month to \$31.55 and an increase in the commodity rate from \$.0021 per gallon to \$.0067. According to Staff, the average monthly bill would be about \$52.58.

## V. RESOLUTION

The Commission applauds the customers for their willingness to pay higher rates for better service. Now it is up to the Commission and the company to make sure that the customers get what they pay for.

As noted by Staff in its testimony, under ORS 757.355(2) the Commission may allow CWIP in rates for a water utility if the water utility is required to use the additional revenues solely for the purpose of completing the capital improvement. Although the parties to the stipulation intend that the CWIP funds be used for completing capital requirements, per the stipulation the company is not "required" to do so. Accordingly, we order Alsea to use the funds as intended by the stipulation.

In all other respects we find that the stipulation is in the public interest and should be adopted.


## VI. ORDER

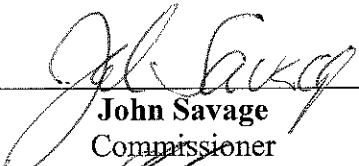
IT IS ORDERED that:

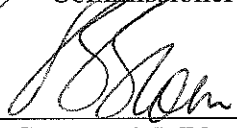
1. Advice No. 13-15 filed by Alsea Properties, Inc., is permanently suspended.
2. The stipulation between Alsea Properties, Inc., the Staff of the Public Utility Commission of Oregon, and Steven Hartwig, attached as Appendix A, is adopted.
3. Alsea Properties, Inc. shall use the funds allowed in rates for construction work in progress to complete the capital improvements specified in the stipulation.

- 4. Alsea Properties, Inc., is authorized to file its tariffs in accord with the stipulation, with an effective date of July 1, 2014.

Made, entered, and effective JUN 16 2014

  
\_\_\_\_\_  
**Susan K. Ackerman**  
Chair

  
\_\_\_\_\_  
**John Savage**  
Commissioner

  
\_\_\_\_\_  
**Stephen M. Bloom**  
Commissioner



A party may request rehearing or reconsideration of this order under 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 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

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BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON  
UW 159

In the Matter of )  
Aalsea Properties, Inc. ) STIPULATION  
Application for General )  
Rate Increase )

10

11 Aalsea Properties, Inc. (Aalsea or Company), appearing by and through its  
12 owner, Signe Grimstad; the Public Utility Commission of Oregon Staff (Staff),  
13 appearing by and through its attorney, Jason W. Jones, Assistant Attorney  
14 General; and Intervener Steven Hartwig (intervener); hereafter collectively referred  
15 to as the Parties, enter into this Stipulation in resolution of all issues between them.

16

1.

17 The Parties support entering into evidence, without requiring any Party to  
18 lay a foundation for its admission, this Stipulation and Attachments A (revenue  
19 requirement) and B (tariffs), and Staff's written testimony and exhibits marked  
20 as Staff/100, Anderson/1-17, Staff/101 Anderson/1-8, and Staff/102 Anderson/1.

21

22

2.

23 The Parties support and recommend that the Commission adopt a 141  
24 percent increase over test year revenues. The increase results in a total revenue

1 requirement of \$51,107. The stipulated revenue requirement is included as  
2 Attachment A to this Stipulation.

3 3.

4 The Parties agree to and support the stipulated rates, fees, and rules and  
5 regulations contained in Attachment B, Asea's tariff sheets designated as  
6 PUC Oregon No. 2, Original Sheets Nos. 1 through 20.

7 4.

8 The Parties agree to and support a monthly residential metered customer  
9 base rate of \$31.55 and a commodity rate of \$.0067 per one gallon of water use,  
10 as shown in Attachment B to this Stipulation and set forth in the tariff sheet  
11 designated as PUC Oregon No. 2, Original Sheet No. 3, Schedule No. 1.

12 5.

13 The Parties agree that the Company will charge Miscellaneous Services  
14 Charges according to Schedule No. 2, as set forth in the tariff sheet designated  
15 PUC Oregon No. 2, Original Sheet No. 4.

16 6.

17 The Parties agree to and support a July 1, 2014, effective date for new  
18 rates.

19 7.

20 By entering into this Stipulation, no Party shall be deemed to have  
21 approved, accepted, or consented to the facts, principles, methods, or theories  
22 employed by any other Party in arriving to this Stipulation.



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

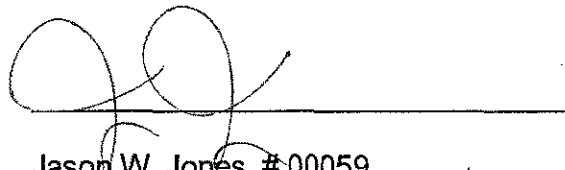
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9.

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

DATED this 3rd day of June 2014.

Respectfully submitted,  
ELLEN ROSENBLUM  
Attorney General



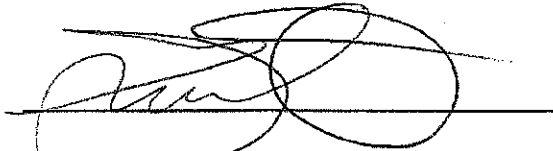
Jason W. Jones, # 00059  
Assistant Attorney General  
Attorney for PUC Staff

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10.

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

DATED this 1 day of June 2014.



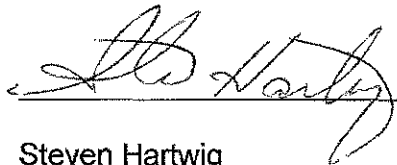
Signe Grimstad  
Owner  
Alsea Properties, Inc.

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11.

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

DATED this 1 day of June 2014.



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Steven Hartwig  
Intervener

Docket # UW 159  
Test Year: January 31, 2012

Revenue Requirement

Acct No.	REVENUES	A	B	C	D	E	F	G	H
		Company	Company	Company	Staff	Staff	Staff	Staff	Total
				A+B=C		C+D=E		D+F=G	C+G=H
		Balance per Application	Proposed Company Adjustments	Proposed Company Totals	Staff Adjustments	Adjusted Results	Revenue-Sensitive Adjustments	Total PUC Adjustments	PUC Proposed Results
461.1	Residential Water Sales	\$ 20,639	\$ 30,268	\$ 51,107	\$ -	\$ 51,107	\$ (0)	\$ (0)	\$ 51,107
461.2	Commercial Water Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
462.1	Public Fire Protection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
464	Water Sales to Public Authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
465	Irrigation -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
466	Sales for Resale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
467	Golf Course	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
468	Special Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
471	Misc. Revenues	\$ 214	\$ -	\$ 214	\$ -	\$ 214	\$ (0)	\$ (0)	\$ 214
	Cross Connection Control Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Other - Specify	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Other - Specify	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL REVENUE</b>	\$ 21,053	\$ 30,268	\$ 51,321	\$ -	\$ 51,321	\$ (0)	\$ (0)	\$ 51,321
<b>OPERATING EXPENSES</b>									
601	Salaries and Wages - Employees	\$ 10,789	\$ -	\$ 10,789	\$ (1,024)	\$ 9,765	\$ -	\$ (1,024)	\$ 9,765
603	Salaries and Wages - Officers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
604	Employee Pension & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
610	Purchased Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
611	Telephone/Communications	\$ -	\$ -	\$ -	\$ 900	\$ 900	\$ -	\$ 900	\$ 900
616	Purchased Power	\$ 1,820	\$ 55	\$ 1,875	\$ 71	\$ 1,946	\$ -	\$ 71	\$ 1,946
616	Fuel for Power Production	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
617	Other Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
618	Chemical / Treatment Expense	\$ 2,254	\$ 1,939	\$ 4,193	\$ (3,083)	\$ 1,110	\$ -	\$ (3,083)	\$ 1,110
619	Office Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
619.1	Postage	\$ 534	\$ 16	\$ 550	\$ (0)	\$ 550	\$ -	\$ (0)	\$ 550
620	O&M Materials/Supplies	\$ 1,653	\$ 300	\$ 1,953	\$ 450	\$ 2,403	\$ -	\$ 450	\$ 2,403
621	Repairs to Water Plant	\$ 2,746	\$ 1,000	\$ 3,746	\$ 1,500	\$ 5,246	\$ -	\$ 1,500	\$ 5,246
631	Contract Svcs - Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
632	Contract Svcs - Accounting	\$ 1,370	\$ -	\$ 1,370	\$ 0	\$ 1,370	\$ -	\$ 0	\$ 1,370
633	Contract Svcs - Legal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
634	Contract Svcs - Management Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
636	Contract Svcs - Testing	\$ -	\$ 2,000	\$ 2,000	\$ (442)	\$ 1,558	\$ -	\$ (442)	\$ 1,558
636	Contract Svcs - Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
637	Contract Svcs - Billing/Collection	\$ 5,566	\$ -	\$ 5,566	\$ (484)	\$ 5,101	\$ -	\$ (484)	\$ 5,101
638	Contract Svcs - Meter Reading	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
639	Contract Svcs - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
641	Rental of Building/Real Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
642	Rental of Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
643	Small Tools	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
648	Computer/Electronic Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
650	Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
656	Vehicle Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
657	General Liability Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
658	Workers' Comp Insurance	\$ 538	\$ 22	\$ 560	\$ (20)	\$ 540	\$ -	\$ (20)	\$ 540
659	Insurance - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
660	Public Relations/Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
666	Amortz. of Rate Case	\$ -	\$ 680	\$ 680	\$ (340)	\$ 340	\$ -	\$ (340)	\$ 340
667	Gross Revenue Fee (PUC)	\$ 52	\$ 65	\$ 117	\$ -	\$ -	\$ 11	\$ 11	\$ 128
668	Water Resources Conservation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
670	Bad Debt Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
671	Cross Connection Control Program	\$ -	\$ 400	\$ 400	\$ -	\$ 400	\$ -	\$ -	\$ 400
672	System Capacity Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
673	Training and Certification	\$ -	\$ 45	\$ 45	\$ (45)	\$ -	\$ -	\$ (45)	\$ -
674	Consumer Confidence Report	\$ -	\$ 200	\$ 200	\$ -	\$ 200	\$ -	\$ -	\$ 200
675	Miscellaneous Expense	\$ 218	\$ 322	\$ 540	\$ (322)	\$ 218	\$ -	\$ (322)	\$ 218
OE1	Capital Improvement Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OE2	Other Expense 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OE3	Other Expense 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL OPERATING EXPENSE</b>	\$ 27,539	\$ 7,044	\$ 34,583	\$ (2,818)	\$ 31,848	\$ 11	\$ (2,807)	\$ 31,776
<b>OTHER REVENUE DEDUCTIONS</b>									
403	Depreciation Expense	\$ 2,050	\$ -	\$ 2,050	\$ 5,355	\$ 7,406	\$ -	\$ 5,355	\$ 7,406
406	Amort of Plant Acquisition Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
407	Amortization Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
408.11	Property Tax	\$ 388	\$ -	\$ 388	\$ (0)	\$ 388	\$ -	\$ (0)	\$ 388
408.12	Payroll Tax	\$ -	\$ -	\$ -	\$ 1,024	\$ 1,024	\$ -	\$ 1,024	\$ 1,024
408.13	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
409.1	Federal Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,503	\$ 1,503	\$ 1,503
409.11	Oregon Income Tax	\$ 218	\$ -	\$ 218	\$ -	\$ -	\$ 490	\$ 490	\$ 708
409.13	Extraordinary Items Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL REVENUE DEDUCTIONS</b>	\$ 30,195	\$ 7,044	\$ 37,239	\$ 3,561	\$ 40,465	\$ 2,004	\$ 5,585	\$ 42,804
	<b>NET OPERATING INCOME</b>	\$ (9,142)	\$ 23,224	\$ 14,082	\$ (3,561)	\$ 10,856	\$ (2,005)	\$ (5,596)	\$ 8,516
<b>UTILITY RATE BASE</b>									
101	Utility Plant in Service	\$ 113,772	\$ 134,274	\$ 248,046	\$ 6,497	\$ 254,543	\$ -	\$ 6,497	\$ 254,543
272	Amortization of CIAC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Less:								
108.1	Depreciation Reserve	\$ 96,300	\$ 74,560	\$ 172,860	\$ (841)	\$ 172,019	\$ -	\$ (841)	\$ 172,019
271	Contributions in Aid of Const	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
281	Accumulated Deferred Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Net Utility Plant	\$ 15,472	\$ 59,714	\$ 75,186	\$ 7,338	\$ 82,524	\$ -	\$ 7,338	\$ 82,524
	Plus: (working capital)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
151	Materials and Supplies Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WkCASH	Working Cash (Total Op Exp /12)	\$ 2,295	\$ 567	\$ 2,862	\$ (234)	\$ 2,648	\$ -	\$ (234)	\$ 2,648
	<b>TOTAL RATE BASE</b>	\$ 17,767	\$ 60,301	\$ 78,068	\$ 7,105	\$ 85,172	\$ -	\$ 7,105	\$ 85,172
	Rate of Return	-51.46%		18.04%		12.75%			10.00%

**ALSEA PROPERTIES INC**

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

**NAMING RATES FOR**

**ALSEA PROPERTIES, INC  
PO BOX 1930  
NEWPORT OR 97365**

**541-265-5411**

Serving water in the vicinity of  
Newport, Oregon

Issue Date / Filing Date	June 6, 2014	Effective for Service on or after	July 1, 2014
Issued By Utility	ALSEA PROPERTIES, INC.		

Advice No. \_\_\_\_\_  
(FOR PUC USE ONLY)

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	Rules and Regulations	5-20

Issue Date / Filing Date	June 6, 2014	Effective for Service on or after	July 1, 2014
Issued By Utility	ALSEA PROPERTIES, INC.		

Advice No. \_\_\_\_\_  
(FOR PUC USE ONLY)

**ALSEA PROPERTIES INC**

**SCHEDULE NO. 1  
RESIDENTIAL METERED RATES**

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

**Applicable:** To residential customers.

**Base Rate**

SERVICE METER SIZE	MONTHLY BASE RATE	USAGE ALLOWANCE
5/8 inch or 3/4 inch	\$31.55	0

**Commodity Usage Rate**

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$.0067	Per Gallon	1 unit = 1 gallon

**Special Provisions:**

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 28, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.

Issue Date / Filing Date	June 6, 2014	Effective for Service on or after	July 1, 2014
Issued By Utility	ALSEA PROPERTIES, INC.		

Advice No. \_\_\_\_\_  
(FOR 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.

<u>Connection Charge for New Service</u> (Rule Nos. 8 & 9)	
Standard 3/4-inch service	At cost
Nonstandard 3/4 inch service	At cost
Larger than 3/4-inch	At cost
Irrigation hookup (if provided on separate system)	At cost
<u>Meter Test</u> (Rule No. 21)	
First test within 12-month period	N/C
Second test within 12-month period	\$20
<u>Pressure Test</u> (Rule No. 42)	
First test within 12-month period	N/C
Second test within 12-month period	\$20
<u>Late-Payment Charge</u> (Rule No. 22)	Pursuant to OAR 860-036-0130 (as of 1/1/14 – 1.8%)
<u>Interest Rate on Deposit for Service</u> (Rule No. 5)	Pursuant to OAR 860-036-0050 (as of 1/1/14 – 0.1%)
Pursuant to OAR 860-036-0040(2)	
<u>Returned-Check Charge</u> (Rule No. 23)	\$20
<u>Trouble-Call Charge</u> (Rule No. 38)	
During normal office hours	\$35 per hour
After normal office hours on special request	\$45 per hour
<u>Disconnection/Reconnect Charge</u> (Rule Nos. 30 & 31)	
During normal office hours	\$35
After normal office hours on special request	\$45
<u>Unauthorized Restoration of Service</u> (Rule No. 32)	Reconnection charge plus costs
<u>Damage/Tampering Charge</u> (Rule No. 36)	At cost
<u>Disconnect Field-Visit Charge</u> (Rule No. 31)	\$25

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**RULES AND REGULATIONS**

Rule 1: Jurisdiction of the Commission

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

Rule 2 Definitions

A. **Utility shall mean ALSEA PROPERTIES, INC. AKA WESTWOOD WATER**

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

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**APPLICATION FOR SERVICE**

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

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

- A. Instructions on how to read meters, either in writing or by explanation;
- B. Application and contract forms;
- C. Utility rules and regulations;
- D. Commission rules and regulations;
- E. Approved tariffs or statement of rates, whichever is applicable;
- 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;
- 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 service and shall not be accepted until the applicant establishes credit as set forth in OAR 860-036-0040.

An application for service must be made where:

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

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**Rule 5: Establishment of Credit and Deposits (OAR 860-036-0040, 0045, 0050, and 0055)**

In accordance with the Commission's rules for credit establishment and deposits, an applicant for new service or a customer seeking continued service 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 and 0045)

The Utility shall pay interest on deposits at the rate established by the Commission. After the customer has paid its water service bills for 12 consecutive months without having had service discontinued for nonpayment, or did not have more than two occasions in which a shut-off notice was issued, and the customer is not then delinquent in the payment of bills, the Utility shall promptly and automatically refund the deposit plus accrued interest by the following method (OAR 860-036-0050 and 0055):

- 1. Issuing the customer a refund check, or
- 2. Crediting the customer's account.  
(The customer is entitled to a refund check upon request.)

**Rule 6: Customer Service Line**

The customer shall own and maintain the customer service line and promptly repair all breaks and leaks. For non-metered service, the customer service line begins at the property line or utility-owned shut off valve. For metered service, the customer service line begins on the customer's side of the meter or utility-owned shut off valve. The Utility shall not be responsible for any damage or poor service due to inadequacy of the customer 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 service connection is that portion of the water system between the Utility's main line and the customer's property line, including all material and installation (hot tap, pipes, fittings, meter, etc.) necessary to provide water service to the customer. 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 Utility's service lines or any portion of the Utility's plumbing.

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

**Rule 9: Service Connection Charge**

An applicant requesting permanent water service to a premise not previously supplied with permanent service by the Utility may be required to pay the cost of the service connection, including or excluding the meter as provided in Rule No. 8 and the Utility's Miscellaneous Service Charges in this tariff.

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

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-based amount necessary to extend the main line to provide service.

**For a period of TWO YEARS** after construction of the requested main line extension, the Utility shall also collect from any additional applicants whose connect to the 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.

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

**Rule 12: Types of Use**

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

**Rule 13: Multiple Residences/Commercial Users**

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

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

Customers shall provide access during reasonable hours to utility-owned service lines that may 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:

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- A. An overdue amount remains outstanding by the applicant at this or another service address; and
- 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)

Except for irrigation customers or applicants who were disconnected for theft of service, a water utility shall provide service to the irrigation customer or applicant upon receipt of payment equal to at least one-half of any overdue amount. The balance of the amount owed to the utility shall be paid within 30 days of the date service is initiated.

Service shall not be refused for matters not related to irrigation water service. Irrigation service shall not be refused due to obligations connected with nonirrigation service.

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

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

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

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

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

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

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

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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.

**METERS**

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

The Utility shall purchase, 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(7))

**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 (fast or slow) 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 the request. The customer or the customer's representative has the right to be present during the test, which is to be scheduled at a mutually agreeable time. 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.

The first meter test in a twelve-month period is at no cost to the customer. If a customer requests a meter test more often than once in any 12-month period, the fee 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 or slow under conditions of normal operation, the Utility shall refund the fee to the customer.

**BILLING**

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

All bills, including closing bills, are due and payable at the Utility office within **15 days** (at least 15 day requirement) when rendered by deposit in the mail or other reasonable means of delivery, unless otherwise specified on the bill. The date of presentation is the date on which the Utility mails the bill.

~~As near as practical, meters shall be read 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. However, a Utility may request, upon application, special authority from the Commission to bill at intervals other than monthly.)

The Utility will keep at least 10 years of all billings records (flat or metered rates) and three years of meter readings. The Utility shall make a reasonable effort 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. When requested, the Utility shall demonstrate to the Commission the reason for the estimated billing.

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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.

**All bills become delinquent if not paid within 15 days of the date the Utility mailed or delivered the bill.**  
(OAR 860-036-0125 requires a minimum of 15 days.)

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

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

**Rule 23: Returned Payment Charge**

The Returned Payment Charge listed on the Miscellaneous Service Charges Schedule shall be billed for each occasion a customer submits any type of noncash payment (check, debit, electronic, etc.) that is not honored, for any reason, by a bank or other financial institution.

**Rule 24: Prorating of Bills**

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

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**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.

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.

**Rule 26: Application of Partial Payments (860-036-0140)**

Partial payments or one payment for more than one type of service, absent written instructions from the customer, must be applied in the following order:

- A. Past due regulated tariffed services;
- B. Currently due regulated tariffed services;
- C. Non-regulated services.

**Rule 27: Transfer Billings (860-036-0140)**

If a water utility identifies a balance a customer owes from the customer's prior account for Oregon service, the water utility shall have the option to transfer the amount to the customer's current account. The water utility will give the customer prior notice of the transfer, including:

- A. The amount due under the prior account; and
- B. The period when the balance was incurred; and
- C. The service address under which the bill was incurred.

The utility has the option to send a separate notice to the customer giving the same information, but collecting the amount for the prior account separately from the customer's current account. If the customer has an amount remaining on an existing time-payment agreement, the customer may enter into a new time-payment agreement to include the transfer.

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

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**DISCONNECTION OF WATER SERVICE**

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

Except for emergencies, customers who (for any reason) wish to have service discontinued shall provide the Utility at least five business-days' advance notice of the requested to discontinue service. The customer is responsible to identify the date of disconnection and for all service rendered until the Utility receives the customer's notice and the service is discontinued on the requested date.

Rates are based on continuous service. Disconnect and reconnect transactions do not relieve a customer from the obligation to pay the base rate or minimum charge that accumulates during the period of time the service is voluntarily disconnected for up to 12 months. Should the customer wish to recommence service within 12 months at the same premise, the customer will be required to pay the accumulated minimum monthly charge or base rate as if service had been continuous. The reconnection charge listed on the Miscellaneous Service Charges Schedule will be applicable at the time of reconnection.

**Rule 29: 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, the utility shall not charge the customer for disconnection or restoration of service.

**Rule 30: 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 irrigation services to become delinquent (except for nonpayment of a time-payment agreement), the Utility shall give at least five business days' written notice before water service may be shut off. The notice shall state:

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

Prior to disconnection on the day that the Utility intends 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

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informing the customer that service has been or is about to be disconnected. The Utility shall document its efforts to contact the customer or an adult at the premises and make that documentation available to the customer upon request.

Service shall not be shut off for non-emergencies 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 irrigation service due to the failure to pay or meet obligations associated with nonirrigation service. (OAR 860-036-0225)

Residential customers who are notified of pending disconnection may choose between two Time Payment Agreement options. The Utility will offer such customers a choice of a levelized-payment plan and an equal-pay arrearage plan. A Utility and customer may mutually agree to an alternate payment arrangement provided it be in writing and signed by all parties. NOT APPLICABLE TO COMMERCIAL IRRIGATION CUSTOMERS.

Disconnection for Failure to Comply With a Time Payment Agreement

A time-payment agreement disconnection occurs when a residential customer fails to comply with the terms of a written time-payment agreement between the customer and the Utility, or the Utility permits a time-payment agreement charge to become delinquent. Before the water service may be disconnected, the Utility must give the customer a 15-day' written notice and a 5-business day written notice. NOT APPLICABLE TO COMMERCIAL IRRIGATION CUSTOMERS.

Rule 31: Disconnection and Reconnection of Water Service and Field Visit Charge

Disconnection Charge

When service was disconnected pursuant to OAR 860-036-0245 or OAR 860-036-0250, the water utility may charge the disconnect fee stated in its tariff.

Reconnection Charge

Service must be reconnected after the customer or applicant has requested reconnection, paid all applicable charges, provided necessary credit information, and satisfied all requirements for service when service was disconnected pursuant to OAR 860-036-0245 or OAR 860-036-0250, the water utility may charge the reconnection fee stated in its tariff.

Field Visit Charge

A water utility may assess a field visit charge whenever the water utility visits a customer service address intending to reconnect or disconnect service, but due to customer action, the water utility is unable to complete the reconnection or disconnection at the time of the visit. The field visit charge must be either filed in its tariffs or included in its statement of rates, whichever is applicable.

A field visit charge may not be assessed to a customer for delivery of any disconnect notice when the Utility has a viable address(es) for the customer. If a Utility delivers a disconnect notice, it is responsible to document its efforts to send the disconnect charge by mail and demonstrate to the Commission the reasonableness of delivering any disconnect notice to the customer's residence.

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**Rule 32: 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, charges listed on the Miscellaneous Service Charges Schedule are paid in full.

**Rule 33: Unauthorized Use**

No person shall be allowed to make connection to the Utility mains, or to make any alteration to service connections, or to turn a curb stop off or on to any premises without written permission of the Utility. Meter tampering, diverting service, or any other unauthorized use of service will automatically cause a disconnection of the water service and may result in meter removal. All applicable 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 34: 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 35: Water Supply/Usage Restrictions (OAR 860-036-0325)**

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

- 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 36: Damages/Tampering**

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

**SERVICE QUALITY**

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

The Utility shall have and maintain its entire plant, distribution system, and hydrants in such condition that it will 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 38: Trouble Call**

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

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

The Utility shall deliver water for domestic purposes free from bodily injurious physical elements and disease-producing bacteria and shall cause such tests to be made and precautions taken as will ensure the constant purity of its supply. The Utility shall keep a record of all water quality tests, results, monitoring, and reports. NOT APPLICABLE TO IRRIGATION SERVICE.

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 40: 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. The 20 psi standard is not presumed to be adequate service

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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. However, adequate pressure may vary depending on each individual water system and customers' circumstances. In the case of a dispute, the Commission will determine the appropriate water pressure for the water utility.

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

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

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

Upon customer request, the Utility will perform a water pressure test within 20 working days of the request. The first pressure test in any 12-month period shall be at no charge. 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. 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 non-metered service, the pressure will be tested at the customer's service line or hose bib or other reasonable point likely to best reflect the actual service pressure.

**Rule 43: 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 44: 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.

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**Rule 45: Cross Connection/Backflow Prevention Program**

The Utility will comply with the rules and regulations for the Cross Connection/Backflow Prevention Program, as provided for in ORS Chapter 333 and the Utility's approved Backflow Prevention Program.

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