

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UW 160

In the Matter of

SUNRIVER WATER LLC,

Request for a General Rate Revision.

ORDER

DISPOSITION: STIPULATION ADOPTED

**I. INTRODUCTION**

Sunriver Water LLC (Sunriver) filed its application for a general rate increase on February 28, 2014. In its application, the company requested an annual revenue increase of \$429,844 (28.2 percent)<sup>1</sup>, resulting in a ten percent rate of return on a rate base of \$2,892,319. On March 17, 2014, we suspended the tariff filing for a period not to exceed six months from July 1, 2014 (January 1, 2015).

A prehearing conference was held in this matter in Sunriver, Oregon on May 4, 2014. Parties appearing at the prehearing conference were Sunriver and the Oregon Public Utility Commission Staff (Staff). On June 4, 2014, the Sunriver Owners Association (SROA) petitioned to intervene in this case. The petition was granted on June 12, 2014.

On October 30, 2014, the parties filed a stipulation among all parties settling all issues in this case. Also on October 30, 2014, Staff filed testimony and exhibits in support of the stipulation. The stipulation, attached as Appendix A to this order, and Staff's testimony and exhibits are all received in evidence.

In their stipulation the parties agree to an increase of \$159,164 (9.97 percent). The parties agree that the rates will become effective December 1, 2014.

**II. BACKGROUND**

Sunriver serves a community consisting of full and part-time residences, multi-family condominiums, a resort hotel, commercial areas, golf courses, and recreation facilities. The company serves water to about 4,300 residential/multi-family customers, 122 commercial customers, 113 irrigation customers, 40 flat rate customers, and two golf courses.

<sup>1</sup> Commission Staff calculated the proposed increase at 26.93 percent.

Sunriver Resort LP (Resort) owns Sunriver. The Resort is organized as a limited partnership and holds 100 percent of the equity interest of Sunriver. The Resort also holds a 100 percent interest in Sunriver Environmental, LLC, an unregulated wastewater utility.

**III. THE STIPULATION**

The parties agree to an eight percent return on rate base and a 9.97 percent increase over test year revenues, resulting in a total revenue requirement of \$1,755,539, an increase of \$159.164 from test year revenues reported in the application.

The parties agree to the inclusion of \$2,032,967 in plant as construction work in progress (CWIP). They further agree that the revenue generated from the plant included as CWIP will be used solely for the completion of the capital improvement reservoir project.

The parties agree to rates, fees, rules, and regulations contained in Attachment A to their stipulation. They further agree that the stipulated rates, fees, rules, and regulations become effective for service rendered on and after December 1, 2014.

In addition to the rate related issues, the parties agree to two conditions:

1. Sunriver will file a new affiliated interest agreement within 90 days of the date of this order. The application will address all of the charges from affiliates that the company plans to include in rates in its next rate application.
2. Sunriver will separate the accounting for the water utility from the accounting for Sunriver Environmental, LLC and the Resort. To accomplish this, separate balance sheets, income statements, and cash flow statements for Sunriver must be submitted to the Commission on a quarterly basis until December 31, 2016, and annually thereafter.

**IV. TESTIMONY IN SUPPORT OF STIPULATION**

**A. Introduction**

Staff sponsored testimony of two witnesses in support of the stipulation: Celeste Hari and Laurel Anderson. Ms. Hari is the primary staff witness.

Ms. Hari describes Staff's investigation and analysis of Sunriver's filing, including examination of revenues, expenses, proposed adjustments, rate spread and rate design, rate base, capital improvements, cost of capital, capital structure, quality of service, capacity, and customer concerns. Specific expense issues included review of the management contract between Sunriver and the Resort, additional affiliated interest expenses, and the proposed new reservoir project. Staff reviewed the cost allocations

between Sunriver and Sunriver Environmental LLC and the cost allocations between the golf course and other Sunriver customers.

Ms. Anderson's testimony covers the separation of Sunriver costs from the costs of Sunriver Environmental, LLC, the rate treatment of the golf courses, Sunriver's utility plant (including CWIP), Sunriver's management contract with the Resort, Sunriver's wages and salaries, and pensions and benefits.

## **B. Expenses**

Staff highlights the significant adjustments to Sunriver's expenses, which include:

### **Salaries and Wages**

Sunriver's test year wage expense was \$463,539. The company's proposed wage expense is \$530,217. Staff adjusted test year wages to reflect actual wages, disallowed the salary of an employee that belongs in management, and removed wages for vacant positions. The results of Staff's review resulted in a downward adjustment of \$37,100, bringing the salaries and wages expense down to \$493,117.

### **Employee Pensions and Benefits**

Sunriver's test year pensions and benefits expense was \$162,503. The company's proposed expense is \$185,407. Staff removed all benefits associated with the salaries that were removed. Staff recalculated benefits costs coded by the company to the employee's "home" station, either water or wastewater, using the same water/wastewater split used for wages. Staff also removed the monetary value of accumulated vacation time that the company listed as an expense. The result of Staff's adjustments is an annual pension and benefits expense of \$110,295, or \$75,112 less than requested by Sunriver.

### **Contract Services – Accounting**

Sunriver's test year contract services – accounting was \$20,000, the same amount as included in its proposed expenses. This amount represents the allocated cost by the Resort to Sunriver for its portion of the Resort's audit expense. Staff concluded that it is not reasonable for the customers to pay for the Resort's audit since no audit of the water utility is performed, nor is one required. Further, this is an affiliated interest transaction for which there is no approved affiliated interest contract. Staff disallowed the full \$20,000.

### **Management Fees**

Sunriver's test year affiliated interest management contract expense was \$166,060. The company's proposed expense is \$177,684. The cost of the

contract was set at \$110,164 in 2002 and included an escalation clause that allowed for no less than a three percent increase and no more than a seven percent increase each year.

The services provided under the contract include accounting, officer costs, other administration, human resources, and information technology. The Resort claims it is not being fairly compensated for its actual costs under the contract and is entitled to an increase of seven percent annually. Staff believes that seven percent escalation rate is not justified. Staff reduced the escalation rate to three percent per year since the last rate case, resulting in an annual management expense of \$153,826.

### **Rental of Building/Real Property**

Sunriver's test year and proposed building rental expense was \$33,600. Staff disallowed the entire \$33,600 because it represents rent and utility charges paid to Sunriver Environmental, LLC, and must therefore be pursuant to an approved affiliated interest agreement. There is no agreement in place that covers building rental expense.

However, the building rental expense includes costs for the electric and gas utility service associated with the building. Staff verified these changes and moved them to the appropriate expense account.

### **Contract Services – Computer/Electronic**

Sunriver's test year computer/electronic expense was \$56,335. The company's proposed expense is \$51,978.

In its investigation, Staff found that \$33,205 of this expense was paid directly to the Resort for computer services. However, computer services are included in the management contract. After making some other minor adjustments Staff removed \$32,803 from this expense account, resulting in an annual expense of \$19,175.

In addition to these expense items, Staff raised issues regarding the contract between Sunriver and the Resort other than the question of the appropriate escalation factor. From a review of data responses, Staff concluded that the Resort was not able to provide documentation supporting the prudence of the amounts charged under the contract or that the expenses met the lower of cost or market standard which the Commission applies to affiliated interest transactions. The two conditions included in the stipulation are intended to address these concerns.

### **C. Plant**

Sunriver's test year utility plant was \$5,127,033. Its proposed plant is \$5,777,033, which includes a \$650,000 increase in plant as CWIP for one phase of Sunriver's reservoir

project to be complete in the summer of 2015. After discussion with the parties, Staff recommended including \$2,032,967 in CWIP to capture construction costs that allows for full completion of the reservoir project. Staff also updated and reconciled Sunriver's utility plant and depreciation schedule to December 31, 2014. Staff's recommended utility plant is \$7,128,133. Staff's proposed net plant is \$4,116,099, compared to the company's proposed net plant of \$2,744,692.

The reservoir project consists of: (1) preliminary engineering studies and reports; (2) site preparation; (3) foundations, such as providing a road, electricity, and pipes and valves to the site; (4) laying water transmission and distribution pipes; and (5) construction of a new 1.25 million gallon reservoir. The reservoir project is needed to provide Sunriver with additional water to address current peak capacity, water pressure, and fire flow issues. The new reservoir will also remedy a long standing customer water pressure issue at the north end of Sunriver.

#### **D. Customer Concerns**

Staff notes that the Commission received some letters, emails, and telephone calls from individual customers expressing their concerns with higher rates. Other customer concerns included customer service, water provision, water safety, and the justification for the proposed rate increase. On behalf of customers, SROA expressed concerns regarding Sunriver's contract with the Resort and affiliate accounting practices. Staff explains how it responded to these concerns and refers again to the conditions in the stipulation which are designed to address issues related to the accounting practices and charges from affiliates to the company.

#### **E. Cost Allocation to the Golf Courses**

Following established practices, Staff split the plant and expenses associated with the golf courses from the service to the other customers, allowing Staff to develop a separate golf course revenue requirement.

The golf course direct expenses and plant are identified and assigned. The indirect/shared expenses and plant are allocated between the golf course and other customers, based on allocation factors developed in an earlier case.

#### **F. Cost of Capital**

Sunriver is a relatively small portion of a much larger corporation and has no stand-alone capital structure from which to derive a utility specific cost of capital. In such cases the Commission has used a hypothetical capital structure to determine a cost of capital that more closely reflects a reasonable return for a stand-alone water company. In this case, Staff imputed a capital structure comprised of 50 percent equity and 50 percent debt. The proposed eight percent rate of return is based on debt at six percent and equity at ten percent. Sunriver had requested a ten percent cost of capital, based on 100 percent equity.

## **G. Rate Design**

Sunriver currently has a single rate for all residential, multi-family, commercial, and irrigation customers. In its application, the company proposed separating these customers into individual rate bands. Staff found that this design did not produce fair and reasonable rates for any customer class.

Staff's proposed rate design combines the residential, multi-family, and commercial customers into one class, with a single class for irrigation customers, and a single class for fire protection. The rates consist of a base rate that is charged regardless of water use and a commodity rate that is charged per 1,000 gallons of water used. This rate design provides the company adequate funds to operate in the winter months when there is lower water use while ensuring that customers pay for their own actual water used per month.

The commodity rate for the residential/commercial customers is \$1.39 for each 1,000 gallons of water used. Base rates vary by meter size.

The effects of the stipulated rates on the average customers' monthly bills are as follows:

Average residential bills increase from \$17.71 to \$20.06.

Average multi-family bills increase from \$14.38 to \$16.17.

Average commercial bills (1" meter) increase from \$53.09 to \$60.49

Average irrigation bills (2" meter) increase from \$210.87 to \$256.64.

Flat-rate customer bills increase from \$19.69 to \$24.60.

Golf course customer bills change from a \$1,699.14 base rate and a \$0.44 per 1,000 gallons commodity rate to a \$2,235.43 base rate and a \$0.31 per 1,000 gallons commodity rate.

## **V. DISCUSSION**

In its testimony, Staff has presented a detailed analysis of Sunriver's application and fully explained the basis for the agreement among the parties. As in any case where the parties present a stipulation for our consideration, we assign great weight to the participation of customers – in this case the Sunriver Owners Association. The stipulation should be adopted.

As shown in Staff's testimony, Sunriver's place in a larger corporate enterprise raises issues of affiliate dealings and shared cost accounting. In its review of the application Staff raised issues with the manner in which such matters have been handled and the conditions included in the stipulation are intended to address those issues. We anticipate that the company will comply fully with those conditions.

**VI. ORDER**

IT IS ORDERED that:

1. Advice No. 14-04 filed by Sunriver Water LLC is permanently suspended.
2. The Stipulation attached as Appendix A, between Sunriver Water LLC, the Staff of the Public Utility Commission of Oregon, and the Sunriver Owners Association, is adopted.
3. Sunriver Water LLC is authorized to file its tariffs in accord with the terms of the stipulation; the tariff sheets shall become effective December 1, 2014.

Made, entered, and effective NOV 19 2014

*Susan K. Ackerman*

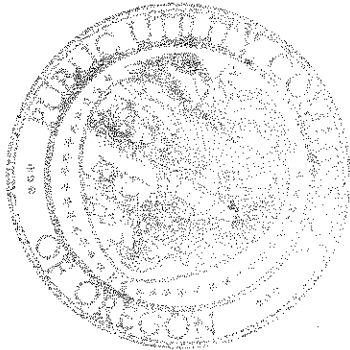
**Susan K. Ackerman**  
Chair

*John Savage*

**John Savage**  
Commissioner

**COMMISSIONER BLOOM WAS  
UNAVAILABLE FOR SIGNATURE**

**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.

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UW 160

In the Matter of SUNRIVER WATER LLC )  
Application for a General Rate Increase ) STIPULATION

Sunriver Water LLC (Sunriver or Company) appearing by and through its attorney Steven Hultberg; the Public Utility Commission Staff (Staff) appearing by and through its attorney, Jason W. Jones, Assistant Attorney General; and the Sunriver's Owners Association (SROA or Intervener) appearing by and through its attorney Josh Newton, hereafter collectively referred to as the Parties, enter into this global settlement of all issues in the case.

1.

The Parties support entering into evidence, without requiring any Party to lay a foundation for its admission, this Stipulation and Attachments A and B to the Stipulation (the revenue requirement and tariffs, respectively), and Staff's written testimony and exhibits marked as Staff/100, Hari/1 through 24; Staff/101, Hari/1; Staff/102, Hari/1-13; Staff/200, Anderson 1 through 13; and Staff/201, Anderson/1.

2.

The Parties support and recommend the Commission adopt an 8 percent rate of return on rate base and a 9.97 percent increase over test year revenues. This increase results in a total revenue requirement of \$1,755,539. The stipulated revenue requirement is included as Attachment A, page 1.



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3.

The Parties agree to and support including \$2,032,967 in plant as Construction Work In Progress (CWIP).

4.

The Parties agree to and support that the revenue generated from the \$2,032,967 included in plant as CWIP will be used solely for the completion of the capital improvement reservoir project.

5.

The Parties agree to and support the stipulated rates, fees, rules, and regulations contained in Attachment B to this Stipulation, Sunriver's tariff sheets designated as PUC Oregon No. 8, Original Sheets Nos. 1 through 31.

6.

The Parties agree to and support the rates being effective for service rendered on and after December 1, 2014.

7.

The Parties agree to and support the following conditions:

1. Sunriver Water, LLC will file a new affiliated interest agreement within 90 days of the date of the final order. The application will address all of the charges from affiliates that the Company plans to seek rate recovery of in its next rate application.
2. Sunriver Water, LLC will separate the accounting for the water utility from the accounting for Sunriver Environmental, LLC and Sunriver Resort, LP. To accomplish this, separate Balance Sheets, Income Statements, and Cash

1 Flow Statements for Sunriver Water, LLC must be submitted to the  
2 Commission on a quarterly basis until December 31, 2016, and annually  
3 thereafter.

4 8.

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

9 9.

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

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ORDER NO.

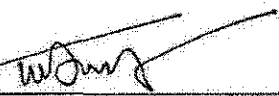
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10.

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 27<sup>th</sup> day of October 2014.

  
\_\_\_\_\_  
Thomas O'Shea  
Managing Director, Sunriver Resort LP  
Sunriver Water LLC

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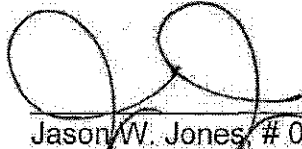
10.

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 28<sup>th</sup> day of October 2014.

Respectfully submitted,

ELLEN ROSENBLUM  
Attorney General



Jason W. Jones # 000594  
Assistant Attorney General  
Of Attorneys 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 28<sup>th</sup> day of October 2014.

  
Pat Hensley  
President, Board of Directors  
Sunriver Owners Association



CONTAINING RULES AND REGULATIONS  
GOVERNING WATER UTILITY SERVICE

**NAMING RATES FOR**

**SUNRIVER WATER LLC**  
PO BOX 3699  
SUNRIVER, OR 97707

541-593-4197

SERVING WATER IN THE VICINITY OF  
SUNRIVER, OREGON

Issue Date / Filing Date	October 30, 2014	Effective for Service on or after	December 1, 2014
Issued By Utility	SUNRIVER WATER LLC		

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

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Issue Date / Filing Date	October 30, 2014	Effective for Service on or after	December 1, 2014
Issued By Utility	SUNRIVER WATER LLC		

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



**SCHEDULE NO. 1**  
**RESIDENTIAL, MULTIFAMILY, AND COMMERCIAL**  
**METERED RATES**

**Available:** To customers of Sunriver Water LLC in Sunriver, Oregon and vicinity.

**Applicable:** To residential, multifamily, and commercial customers.

**Base Rate**

SERVICE METER SIZE	MONTHLY BASE RATE	USAGE ALLOWANCE
5/8 inch or 3/4 inch	\$12.02	0
1 inch	\$30.05	0
1½ inches	\$60.10	0
2 inches	\$96.17	0
3 inches	\$180.31	0
4 inches	\$300.52	0
6 inches	\$601.04	0

**Commodity Usage Rate**

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$1.39	Per Unit	1 unit = 1,000 gallons

Issue Date / Filing Date	October 30, 2014	Effective for Service on or after	December 1, 2014
Issued By Utility	SUNRIVER WATER LLC		

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

**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 specific to the type of customer:

Schedule No. 1 – Residential, multifamily, and commercial.

Schedule No. 3 – Irrigation.

Schedule No. 5 - Golf course.

3. 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.
4. Multifamily customers' monthly water service charge will be assessed at the number of units served times the monthly base rate plus the commodity charge. Example: If the premise serves 8 units, the base charge will be 8 times the base rate plus the commodity charge applied to the amount of water use.

Issue Date / Filing Date	October 30, 2014	Effective for Service on or after	December 1, 2014
Issued By Utility	SUNRIVER WATER LLC		

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

**SCHEDULE NO. 2**  
**RESIDENTIAL FLAT RATES**

**Available:** To customers of Sunriver Water LLC in Sunriver, Oregon and vicinity.

**Applicable:** To flat rate customers.

**FLAT RATES**

SERVICE METER SIZE	MONTHLY FLAT RATE	USAGE ALLOWANCE
ANY SIZE	\$22.53	UNLIMITED

**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 specific to the type of customer:

Schedule No. 1 – Residential, multifamily, and commercial.

Schedule No. 3 – Irrigation.

Schedule No. 5 - Golf course.

3. 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	October 30, 2014	Effective for Service on or after	December 1, 2014
Issued By Utility	SUNRIVER WATER LLC		

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

**SCHEDULE NO. 3**

**IRRIGATION METERED RATES**

**Available:** To customers of Sunriver Water LLC in Sunriver, Oregon and vicinity.

**Applicable:** To irrigation services.

**Base Rate**

SERVICE METER SIZE	MONTHLY BASE RATE	USAGE ALLOWANCE
5/8 inch or 3/4 inch	\$12.55	0
1 inch	\$31.37	0
1½ inches	\$62.75	0
2 inches	\$100.40	0
3 inches	\$188.24	0

**Commodity Usage Rate**

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$1.50	Per Unit	1 unit = 1,000 gallons

**Special Provisions:**

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 28, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specific to the type of customer:

Schedule No. 1 – Residential, multifamily, and commercial.  
 Schedule No. 3 – Irrigation.  
 Schedule No. 5 - Golf course.

Issue Date / Filing Date	October 30, 2014	Effective for Service on or after	December 1, 2014
Issued By Utility	SUNRIVER WATER LLC		

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

3. 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.
4. Irrigation customers shall be billed base rate charges each month (12 months per year). Commodity charges will be billed the month after usage occurs.

Issue Date / Filing Date	October 30, 2014	Effective for Service on or after	December 1, 2014
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Advice No. \_\_\_\_\_  
(FOR PUC USE ONLY)

**SCHEDULE NO. 4**  
**FIRE PROTECTION**

**Available:** To customers of Sunriver Water LLC in Sunriver, Oregon and vicinity.

**Applicable:** To commercial/industrial users.

**Base Rate**

SERVICE METER SIZE	MONTHLY BASE RATE	USAGE ALLOWANCE
2 inches	\$5.66	N/A
3 inches	\$10.60	N/A
4 inches	\$17.67	N/A
6 inches	\$35.35	N/A
8 inches	\$56.56	N/A

**Commodity Usage Rate**

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
N/A	Per Unit	N/A

**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 specific to the type of customer:

Schedule No. 1 – Residential, multifamily, and commercial.

Schedule No. 3 – Irrigation.

Schedule No. 5 - Golf course.

3. 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	October 30, 2014	Effective for Service on or after	December 1, 2014
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Advice No. \_\_\_\_\_  
 (FOR PUC USE ONLY)

**SCHEDULE NO. 5**  
**GOLF COURSE RATES**

**Available:** To customers of Sunriver Water LLC in Sunriver, Oregon and vicinity.

**Applicable:** To golf course irrigation service.

**Base Rate**

SERVICE METER SIZE	MONTHLY BASE RATE	USAGE ALLOWANCE
3 inches	\$2,235.43	0
6 inches	N/A	0

**Commodity Usage Rate**

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$0.31	Per Unit	1 unit = 1,000 gallons

**Special Provisions:**

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 28, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specific to the type of customer:

Schedule No. 1 – Residential, multifamily, and commercial.  
 Schedule No. 3 – Irrigation.  
 Schedule No. 5 - Golf course.

3. 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.
4. Golf course customers shall be billed base rate charges each month (12 months per year). Commodity charges will be billed the month after usage occurs.

Issue Date / Filing Date	October 30, 2014	Effective for Service on or after	December 1, 2014
Issued By Utility	SUNRIVER WATER LLC		

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

**SCHEDULE NO. 6**  
**CROSS CONNECTION CONTROL PROGRAM AND  
BACKFLOW PREVENTION DEVICE SERVICES FEES**

**PURPOSE:** Sunriver Water LLC (Sunriver) desires to offer backflow prevention device/double check valve assembly (device) testing, maintenance and repair services (the Program).

**AVAILABLE:** To customers of Sunriver in Sunriver, Oregon and vicinity.

**APPLICABLE:** To residential and commercial premises with backflow prevention devices installed at the meter or point of hazard to protect the water supply.

**ENROLLMENT:** Sunriver WILL ENROLL all customers with backflow prevention devices installed in this program UNLESS the customer signs an "OPT OUT" notice and returns such notice to Sunriver.

**PROGRAM DESCRIPTION:**

1. **TESTING SERVICES:** Sunriver will provide the required annual backflow prevention assembly (BPA) testing by a state-certified tester pursuant to OAR 333-061-0070 through OAR 333-061-0072.
2. **MAINTENANCE AND REPAIR SERVICE:** Sunriver Water will provide maintenance and repairs on 1" or smaller customer-owned devices installed at the meter or point of hazard. Repair service consists of replacing internal components of the device only. Replacement of the device is the responsibility of the customer and is not covered by Sunriver maintenance and repair services. Maintenance does not include the startup, blow out, or freeze protection of the assemblies.
3. **PLAN REVIEW AND INSPECTION FEE:** Sunriver will review plans and placement of cross-connection assemblies and inspect that placement and installation of assembly meets requirements for approval within the Cross-Connection Program.

Issue Date / Filing Date	October 30, 2014	Effective for Service on or after	December 1, 2014
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Advice No. \_\_\_\_\_  
(FOR PUC USE ONLY)



**PROGRAM RATES**

1. All customers enrolled in program

Device monthly testing/maintenance fee (itemized separately on bill): \$3.50

2. All customers who opt out, but choose Sunriver as a default service supplier on their opt out notice

At the time of annual testing, Sunriver will bill customers: \$50.00

3. Plan and review inspection fee

Per Review: \$40.00

**OPT OUT CUSTOMERS WHO FAIL TO PROVIDE BACKFLOW PREVENTION DEVICE TEST RESULTS**

OPT OUT customers who fail to provide Sunriver with annual device test results by the customer's annual deadline will be disconnected from water service pursuant to OAR 860-036-0245 (DISCONNECTION PROCEDURES FOR ALL CUSTOMERS OF WATER UTILITY SERVICES) or OAR 860-036-0215 (EMERGENCY DISCONNECTION).

**SPECIAL PROVISIONS:**

1. The customer is under no obligation to use the Sunriver's device services.
2. The customer can choose any qualified company or individual to test, maintain, and repair his/her device.
3. Sunriver Water will provide each customer with notification of the Program services being offered. The notification shall include a written Program refusal (OPT OUT NOTICE).
4. Customers who choose to OPT OUT of the Program must sign the written OPT OUT NOTICE and return it to Sunriver within 30 calendar days of receiving the notification.

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5. Customers who choose to OPT OUT of the Program are responsible for the annual testing, maintenance, repair, and replacement of their devices and submitting their device information and testing results annually to Sunriver.
6. Sunriver will notify each customer who OPTS OUT of the Program 30 days prior to the annual test results due date. Annual test results must be provided to Sunriver on or before the customers' annual deadlines.
7. All water meters in the Sunriver system shall have a premise isolating backflow prevention assembly installed no later than January 1, 2025. Prior to that date, all new construction remodels, and any change to the service account shall result in the installation of a backflow prevention assembly at the meter.
8. Sunriver will separately itemize the backflow prevention device service fees on the customers' bills.

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**SCHEDULE NO. 7  
 MISCELLANEOUS SERVICE CHARGES**

This schedule lists the miscellaneous charges included in Sunriver Water LLC'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 Nos. 8 & 9)

Standard ¾-inch service	At cost
Nonstandard ¾-inch service	At cost
Larger than ¾-inch	At cost
Irrigation hookup (if provided on separate system)	At cost

Reading Submeters and Preparing Memo Bills (Rule No. 22A) \$4.30

Meter Test (Rule No. 21)

First test within 12-month period	N/C
Second test within 12-month period	\$35.00

Pressure Test (Rule No. 42)

First test within 12-month period	N/C
Second test within 12-month period	\$35.00

Late-Payment Charge (Rule No. 22)

Pursuant to OAR 860-036-0130  
 (as of 1/1/14 – 1.8%)

Interest Rate on Deposit for Service (Rule No. 5)  
 Pursuant to OAR 860-036-0040(2)

Pursuant to OAR 860-036-0050  
 (as of 1/1/14 – 0.1%)

Returned-Check Charge (Rule No. 23)

\$25.00

Trouble-Call Charge (Rule No. 38)

During normal office hours	\$40.00 per hour
After normal office hours on special request	\$60.00 per hour

Disconnection/Reconnect Charge (Rule Nos. 30 & 31)

During normal office hours	\$40.00 per hour
After normal office hours on special request	\$60.00 per hour

Unauthorized Restoration of Service (Rule No. 32)

Reconnection charge plus costs

Damage/Tampering Charge (Rule No. 36)

At cost

Disconnect Field-Visit Charge (Rule No. 31)

\$25.00

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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: SUNRIVER WATER LLC (Sunriver 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 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)**

Sunriver Water 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. Sunriver Water'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 Sunriver Water 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 Sunriver Water, requests service; or
- B. Service has been involuntarily discontinued in accordance with Sunriver Water 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)

Sunriver Water shall pay interest on deposits at the rate established by the Commission. After the customer has paid their 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, Sunriver Water 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. Sunriver Water 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. The customer is responsible to pay for all water flowing through the meter, including water breaks or freezes in the customers piping downstream of the meter, unless the problem is with the meter itself and is it registering incorrectly.

**Rule 7: Separate Control of Service**

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

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

The service connection is that portion of the water system between Sunriver Water'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. Sunriver Water 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 Sunriver Water's service lines or any portion of Sunriver Water's plumbing.

- A. Sunriver Water may pay for and install the service connection and meter and, generally all materials and labor are included in rate base; or
- B. Sunriver Water 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 Sunriver Water. Contributions of this type are generally excluded from rate base; or
- 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 Sunriver Water. 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 Sunriver Water may be required to pay the cost of the service connection, including or excluding the meter as provided in Rule No. 8 and Sunriver Water's Miscellaneous Service Charges in this tariff.

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

Sunriver Water 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.

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**Rule 11: Main Line Advances and Refunds Policy**

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

For a period of five years after construction of the requested main line extension, Sunriver Water shall also collect from any additional applicants who connects 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. Sunriver Water 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. Sunriver Water 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.

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**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))**

Sunriver Water 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 Sunriver Water, when the following circumstances exist:

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

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

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

If service is refused under this rule, Sunriver Water 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))**

Sunriver Water shall not accept an application for service or materially change service to a customer if Sunriver Water 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.

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For refusal of service under this rule, Sunriver Water shall provide a written letter of refusal to the applicant informing applicant that the details upon which Sunriver Water'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 Sunriver Water for additional capacity in order to provide the additional service; and
- D. Information regarding the appeal process of Sunriver Water'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))**

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

If service is refused under this rule, Sunriver Water 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)**

Sunriver Water 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 Sunriver Water, subject to Sunriver Water'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 Sunriver Water or relocated for the convenience of the customer, a reasonable charge may be made in accordance with a schedule approved by the Commission.

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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 Sunriver Water with regular access to the meter on the customer's property. Failure to permit access at reasonable times and after reasonable notice by Sunriver Water 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, Sunriver Water 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 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. Sunriver Water 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.

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

A customer may request that Sunriver Water 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.

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The first meter test in a 12-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, Sunriver Water 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 Sunriver Water 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 Sunriver Water 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.

Sunriver Water will keep at least 10 years of all billings records (flat or metered rates) and three years of meter readings. Sunriver Water 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, Sunriver Water shall demonstrate to the Commission the reason for the estimated billing.

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

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H. Any other information necessary for the computation of the bill.

All bills become delinquent if not paid within 15 days of the date Sunriver Water 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 Sunriver Water will be notified of the rate.

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

**Rule 22A: Master Meter with Memo Bill**

A customer under special agreement with Sunriver Water may be metered with a master meter. The master meter customer will be responsible for total payment of the master meter water bill.

Sunriver Water will read the sub-meters and send memo bills to the master meter customer and sub-metered tenants. Memo bills are not official bills from Sunriver Water. A memo bill shows the sub-metered tenants' individual water consumption and Sunriver Water's applicable rate for use by the master meter customer when collecting payments from sub-metered tenants.

The total aggregate monthly base charges of all sub-metered accounts shall not exceed the total aggregate monthly base charge of the master meter serving sub metered accounts. There will be a monthly charge for readying and preparing a memo bill for each sub-meter as indicated in Schedule No. 7, Miscellaneous Service Charges. This monthly charge will be the responsibility of the master meter customer.

**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

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

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

When an underbilling or overbilling occurs, Sunriver Water shall provide written notice to the customer or former customer detailing the circumstances surrounding the billing error, including the period of time, amount of the adjustment, the Commission consumer complaint process, and the right to enter into a time-payment agreement.

In cases of overbilling, the billing error must be discovered within 36 months of the last incorrect bill, and the refund or credit is limited to the most recent 12 months of overcharges.

In cases of underbilling, the billing error must be discovered within 24 months of the last incorrect bill and the water utility may backbill for only the most recent 12 months of undercharges.

If an underbilling is the result of fraud, tampering, diversion, theft, misinformation, false ID, or other unlawful conduct on the part of the customer, Sunriver Water may collect full payment of any amount owed without limitation.

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 Sunriver Water cannot agree upon payment terms, the Commission shall establish terms and conditions to govern the repayment obligation. Sunriver Water shall provide written notice advising the customer of the opportunity to enter into a time-payment agreement and of the Commission's complaint process.

This time-payment option does not apply in cases of fraud, tampering, diversion, theft, misinformation, false ID, or other unlawful conduct on the part of the customer.

The water utility may waive rebilling or issuing a refund check when the costs make such action uneconomical and is demonstrated as such to the Commission's satisfaction.

**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:

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- 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.

Sunriver Water 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).

**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 Sunriver Water at least five business-days' advance notice of the request to discontinue service. The customer is responsible to identify the date of disconnection and for all service rendered until Sunriver Water 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.

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**Rule 29: Emergency Disconnection (OAR 860-036-0215)**

Sunriver Water may terminate service in emergencies when life or property is endangered without following the procedures set forth in OAR 860-036-0245. Immediately thereafter, Sunriver Water will notify the customer and the Commission. When the emergency termination was through no fault of the customer, Sunriver Water 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 Sunriver Water's rules and regulations, or permits a bill or charge for regulated services to become delinquent (except for nonpayment of a time-payment agreement), Sunriver Water 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 Sunriver Water intends to disconnect service, Sunriver Water 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, Sunriver Water 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. Sunriver Water 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) Sunriver Water shall not disconnect residential service due to the failure to pay or meet obligations associated with non-residential service. (OAR 860-036-0225)

Residential customers who are notified of pending disconnection may choose between two Time-Payment Agreement options. Sunriver Water will offer such customers a choice of a

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levelized-payment plan or 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 Sunriver Water, or Sunriver Water permits a time-payment agreement charge to become delinquent. Before the water service may be disconnected, Sunriver Water 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 is disconnected pursuant to OAR 860-036-0245 or OAR 860-036-0250, Sunriver Water may charge the disconnect fee stated Rule No. 7: Miscellaneous Service Charges.

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, Sunriver Water may charge the reconnection fee stated in Rule No. 7: Miscellaneous Service Charges.

Field Visit Charge:

Sunriver Water 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, Sunriver Water is unable to complete the reconnection or disconnection at the time of the visit. The field visit charge is included in Rule No. 7: Miscellaneous Service Charges.

A field visit charge may not be assessed to a customer for delivery of any disconnect notice when Sunriver Water 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 Sunriver Water 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 Sunriver Water 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 Sunriver Water. 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)**

Sunriver Water shall have the right to shut off the water supply temporarily for repairs and other necessary purposes. Sunriver Water 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. Sunriver Water shall not be liable for any inconvenience suffered by the customer or damage to the customer's property arising from such discontinuance of service.

Sunriver Water 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)**

Sunriver Water 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, Sunriver Water 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

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D. Probable date of termination of such restriction.

**Rule 36: Damages/Tampering**

Should damage result to any of Sunriver Water's property from molesting or willful neglect by the customer to a meter or meter box located in the customer's building, Sunriver Water 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)**

Sunriver Water shall have and maintain its entire plant, distribution system, and hydrants in such condition that it will furnish safe, adequate, and reasonable continuous service. Sunriver Water 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.

Sunriver Water 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 (Rule No. 7) may be billed whenever a customer requests that Sunriver Water 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)**

Sunriver Water 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. Sunriver Water shall keep a record of all water quality tests, results, monitoring, and reports. NOT APPLICABLE TO IRRIGATION SERVICE.

Sunriver Water 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 40: Water Pressure (OAR 860-036-0315)**

Sunriver Water 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 and does 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)**

Sunriver Water 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, Sunriver Water 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 bibb or other reasonable point likely to best reflect the actual service pressure.

**Rule 43: Maps/Records (OAR 860-036-0335)**

Sunriver Water 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 44: Utility Line Location (One Call Program) (OAR 860-036-0345)**

Sunriver Water 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 45: Cross Connection/Backflow Prevention Program**

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

In compliance with OAR Chapter 333, Division 61, Sunriver Water will undertake programs for controlling and eliminating cross connections.

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

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

The device and its installation or the elimination of the cross connection shall be in accordance with standard practices pertaining to cross connection control approved by the Oregon Health Authority and the National Safe Drinking Water Act.

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

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

Customer failure to install, maintain, and test the device as required are grounds for disconnection of water service.

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