

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UW 162

In the Matter of

CROOKED RIVER RANCH WATER
COMPANY,Request for a General Rate Revision.

ORDER

DISPOSITION: STIPULATION ADOPTED

I. INTRODUCTION

On October 16, 2014, Crooked River Ranch Water Company (Crooked River) filed an application requesting an increase in its rates of \$263,092 (39.55 percent).

A Public Comment Hearing and Prehearing Conference were held at Crooked River on November 17, 2014. The Public Comment Hearing was well attended and a lengthy discussion ensued. Petitions to intervene were filed by Calvin Walter and Barbara Oakley. Their petitions were granted in rulings by the administrative law judge.

On February 4, 2015, a stipulation was filed that settles all issues in this docket. Parties to the stipulation are Crooked River, the Commission Staff, and intervenors Walter, and Oakley (stipulating parties).¹ No person has filed an objection to the stipulation, which is attached as Appendix A. Also on February 4, 2015, Staff filed testimony in support of the stipulation. The stipulation and Staff's testimony are received as evidence.

II. THE APPLICATION

Crooked River is a non-profit, mutual benefit corporation with members that provides water service to about 1,505 customers at Crooked River Ranch, a 12,000 acre, unincorporated private resort community with a population of about 5,000.

Crooked River seeks a rate increase because of its general rising costs and to support a loan from the United States Department of Agriculture (USDA) for an infrastructure improvement project. As a non-profit corporation, Crooked River requested a zero percent return on equity.

¹ Mr. Walter and Ms. Oakley participated in the settlement conference and do not oppose the stipulation. They each signed the stipulation.

Crooked River provides water to its members classified as follows: water haulers, temporary community events, residential, and commercial members (including multi-unit dwelling members and the Crooked River Ranch Homeowners Association (HOA)).

II. THE STIPULATION

The stipulating parties propose a rate increase of \$193,686 (29.11 percent). The increase results in a net operating income of \$2,811 and a 0.06 percent return on rate base, reflecting Crooked River's non-profit, mutual benefit corporation status. The stipulating parties propose a monthly Metered Customer base rate of \$34.59 with no usage allowance. The commodity rate is \$1.09 for each 100 cubic feet of water used.

The stipulating parties propose the following conditions that relate to a loan to Crooked River from the USDA to be used to finance system improvements:

Regarding the disposition of \$290,444 of revenue collected for service of the USDA loan payment prior to the initial loan payment to the USDA:

- Crooked River will deposit \$193,629 into an Annual Payment Reserve Account, as required by the USDA loan conditions;
- Crooked River will pay \$13,935 to completely discharge the Line of Credit Interest Only expense;
- Crooked River will deposit \$75,000 into the Regular Contingency Account to take the place of the \$15,000 annual expense for five years ending December 2020; and
- Crooked River will deposit the remaining balance of \$7,880 in the Regular Contingency Account to assist in reaching the recommended six-month reserve of operating expenses as recommended in docket UW 149.

Regarding the disposition of excess revenues related to depreciation expense:

Crooked River will deposit the first 16 months of Depreciation Expenses for the project (\$98,573) into the company's Regular Contingency Account.

III. STAFF TESTIMONY

Staff filed testimony in support of the stipulation. We summarize its testimony on the USDA Capital Improvement Project, describe the various adjustments to Crooked River's revenue requirement, and review the stipulating parties' proposed resolution of issues related to rate spread and rate design.

A. Capital Improvement Project

Staff presents its analysis of Crooked River's Capital Improvement Project "to address significant system deficiencies" in the system.² Current water system deficiencies include insufficient pressure, inadequate storage, and the removal from service of Well No. 2.

The \$5.8 million improvement project includes replacement of the existing 700,000 gallon reservoir with a 1 million gallon elevated reservoir (tower) at a higher hydraulic grade line that will be 45 feet taller than the current reservoir, construction of a detention/infiltration basin for the tower overflow/discharge, a new gravel access roadway, secure fencing, and demolition of the 700,000 gallon water storage reservoir. It also includes the drilling of a new 1,200 gallons per minute well (Well No. 3) with installation of 8 inch underground water mains connecting the new well and the remaining-existing well to the new storage reservoir tower.

The loan from the USDA is for \$4.3 million amortized over 40 years. The USDA will provide an additional grant of \$1.5 million after the \$4.3 million project loan has been depleted, to finance the \$5.8 million project.

There are several conditions that Crooked River must meet before the USDA will fund the loan. According to Staff, the material conditions pertinent to this rate case include the following:

1. The establishment of an annual short-term asset replacement account in the amount of \$23,042 that must be deposited annual for the life of the loan;
2. A principle and interest loan payment of \$193,629 to be amortized over 40 years at an interest rate of 3.25 percent;
3. The establishment of a reserve account in the amount of one annual payment (\$193,629);
4. Proof of adequate customer rates to produce revenues to cover all expenses. The USDA has agreed that a Commission final order approving the stipulation will provide acceptable proof; and
5. Crooked River must provide progressive financing on its own up to the time the loan is funded; Crooked River's line of credit and interim construction loan.

Staff has included only the loan payment costs associated with the \$4.3 million loan amount in rates. Staff has agreed to include the annual cost of servicing that loan in Crooked River's operating expenses to satisfy the USDA regarding the company's ability to recover the costs of servicing the loan through rates. The \$1.5 million grant will

² Staff/100, Hari/7.

represent a cost-free source of funds to Crooked River and will not impose any additional costs on customers.

Normally Staff allows construction work in progress (CWIP) in plant that will not be put in service for six to twelve months prior to it being used and useful. However, due to USDA loan requirements, Staff recommends that CWIP be allowed in plant sixteen months prior to it being used and useful in these unique circumstances.

Crooked River's ability to complete the project by its target date of October 2016 is entirely dependent on receipt of a Commission order approving the stipulation in the first week of March 2015.

C. Revenue Requirement Issues

1. Cost of Capital

Staff recommends a zero percent return on equity, reflecting Crooked River's non-profit status. Staff recommends a .06 percent return on rate base to allow the company to recover its cost of debt. The cost of capital excludes the USDA loan as that cost is reflected in the company's operating expenses.

2. Contingency Fund

In Crooked River's previous rate case, docket UW 149, we approved an annual \$20,000 operating expense to provide the company with a capital improvement fund designated the Contingency Fund. In its testimony, Staff explains how a portion of the funds to be collected by Crooked River to finance the project will be deposited in the Contingency Fund, including funds collected through depreciation expense.

3. Results of Operations

Staff reduced Crooked River's test period revenues from \$928,382 to \$858,976. Staff reduced the company's expenses from \$925,229 to 856,164.

The primary adjustments to revenues and expenses were each in regard to the treatment of cross connection and backflow pass through costs. With respect to revenues, Staff removed costs \$72,809 that should not have been included. With respect to expenses, Staff disallowed the \$77,504 annual expenses because this program is a pass-through expense to members.

4. Utility Plant

As noted above, Staff included \$4.3 million in plant as CWIP related to the project. Although the period of time until this plant is in service is longer than typically allowed, Staff believes it is in the public interest to include the plant in this case. In addition, Staff updated the company's plant to record capital expenditures that have come into service since the company's last rate case and moved some minor expenditures from expenses to plant.

D. Rate Spread and Rate Design

Staff recommended a 74 percent allocation of revenue to the base rate and a 26 percent allocation to the commodity rates. This revenue split is in line with Crooked River's actual fixed and variable expenses and reflects the high seasonality of usage. The rate design allows the company to recover sufficient revenues in the winter months to pay its expenses.

Staff retained the current rate class structure and the current practice of including no water usage in the base rate. Staff recommends eliminating the current two-tier commodity structure in favor of a single-tiered design.

The amount of the base rate was determined based on the amount of revenue required to meet Crooked River's fixed monthly expenses. In most cases, the amount of the base rate depends on the size of the meter. In this case, not all meters currently installed are sized appropriately to the service required. A uniform base rate was proposed to avoid penalties to customers who have meters not sized in accord with standard practice.³

With respect to the commodity rate, Staff's primary goal is to implement a rate design that treats all members fairly. Staff notes that Crooked River will not have a water capacity issue after the project is completed, so it will not cost more to provide water to higher users, obviating the need for a two-tier structure.

To develop its proposed rates Staff adjusted the consumption data provided by Crooked River.

Staff shows the following rate impacts for average usage, by customer class:

<u>Class</u>	<u>Current Bill</u>	<u>Proposed Rates</u>	<u>% Change</u>
Residential	\$34.62	\$49.85	44%
Commercial	\$44.58	\$62.93	41%

For temporary events and water haulers (who pay no monthly base rate) the increase is from \$0.93 per 100 cf to \$1.09 per 100 cf – 19 percent.

IV. RESOLUTION

In this case, Crooked River addresses serious problems with its water system that require a major capital investment and warrant a corresponding significant rate increase. We approved the company's financing application in Order No. 14-178 (docket UF 4287). We now approve the rates necessary to effectuate the financing plan.

Staff's testimony fully develops the record. We approve the stipulation in its entirety.

³ Such customers would likely request a smaller meter if they were charged higher rates.

When Crooked River filed its application on October 16, 2014, we did not suspend its filing because the company proposed that its newly filed tariff sheets become effective for service rendered on or after June 1, 2015.⁴ Accordingly, there is no suspension order to be lifted in this decision.

V. ORDER

IT IS ORDERED that:

1. The stipulation between Crooked River Ranch Water Company, the Public Utility Commission of Oregon Staff, Calvin Walter, and Barbara Oakley, attached as Appendix A, is adopted.
2. Crooked River Ranch Water Company shall file its tariffs in accord with the stipulation; the tariff sheets shall become effective May 23, 2015.

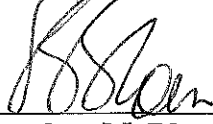
Made, entered, and effective MAR 02 2015.



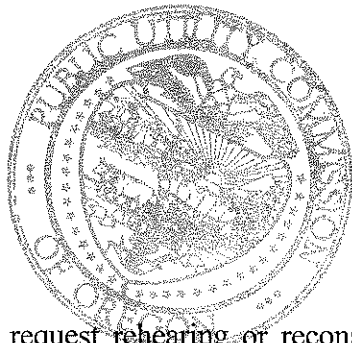
Susan K. Ackerman
 Chair



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.

⁴ We note that Crooked River's filing contained a typographical error, identifying the effective date of June 1, 2014.

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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UW 162

In the Matter of Crooked River)
Ranch Water Company Application) STIPULATION
for General Rate Increase)

Crooked River Ranch Water Company (CRRWC or Company) is appearing by and through its attorney, Tommy Brooks; the Public Utility Commission of Oregon Staff (Staff) is appearing by and through its attorney, Jason W. Jones, Assistant Attorney General; and Interveners Calvin Walter, and Barbara Oakley (collectively, Parties) enter into this Stipulation in resolution of all issues in the case.¹

1.

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

¹ Staff and CRRWC agree and support the stipulation. Mr. Walter and Ms. Oakley participated in the settlement conference and do not oppose the stipulation. For simplicity, the "Parties", as used herein, refer to both the parties that agree to and support the Stipulation and parties that do not oppose the Stipulation.

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The Parties recommend that the Commission adopt a 29.11 percent increase over test year revenues. This increase results in a total revenue requirement of \$858,976, total revenue deductions of \$856,164, and a net operating income of \$2,811. Additionally, the Parties recommend that the Commission adopt a 0.06 percent return on rate base of \$4,972,098. The stipulated revenue requirement is included as Attachment A to this Stipulation.

The Parties recommend that the stipulated rates, fees, rules, and regulations contained in Attachment B to this Stipulation, CRRWC's tariff sheets designated as PUC Oregon No. 3, Original Sheets Nos. 1 through 26.

The Parties recommend a Metered Customer base rate and a single commodity rate shown in Attachment B to this Stipulation, designated as PUC Oregon No. 3, Schedule No. 1, Original Sheet No. 3, for metered customers. The metered customers will be charged a \$34.59 monthly base rate with no usage allowance. The commodity rate is \$1.09 for each 100 cubic feet of water used.

The Parties recommend that a Temporary Community Events commodity rate shown in Attachment B to this Stipulation, designated as PUC Oregon No. 3, Schedule No. 2, Original Sheet No. 4. Temporary Service for Community Events will be charged a commodity rate of \$1.09 per each 100 cubic feet of water usage with no base rate.

1 6.

2 The Parties recommend that a Water Haulers commodity rate shown in
3 Attachment B to this Stipulation, designated as PUC Oregon No. 3, Schedule
4 No. 3, Original Sheet No. 5. Water Haulers will be charged a commodity rate of
5 \$1.09 per each 100 cubic feet of water use with no base rate.

6 7.

7 The Parties recommend that CRRWC's Miscellaneous Services Charges
8 according to Schedule No. 6 as set forth in the tariff sheet designated PUC Oregon
9 No. 3, Schedule, No. 6, Original Sheet No. 9.

10 8.

11 The Parties recommend the rates be effective for service rendered on and
12 after May 23, 2015.

13 9.

14 The Parties recommend the following conditions:

15 *Regarding the disposition of \$290,444 of revenue collected for service of the*
16 *USDA loan payment prior to the initial loan payment to the USDA:*

17 C1. CRRWC will deposit \$193,629 into an Annual Payment Reserve Account, as
18 required by the USDA loan conditions.

19 C2. CRRWC will pay \$13,935 to completely discharge the Line of Credit Interest
20 Only Expense.

21 C3. CRRWC will deposit \$75,000 into the Regular Contingency Account to
22 take the place of the \$15,000 annual expense for five years ending
23 December 2020.

1 C4. CRRWC will deposit the remaining balance of \$7,880 in the Regular
2 Contingency Account to assist in reaching the recommended six-month
3 reserve of operating expenses as recommended in UW 149.

4 *Regarding the disposition of excess revenues related to depreciation expense:*

5 C5. CRRWC will deposit the first 14 months of Depreciation Expense for the
6 project, \$98,573, into the Company's Regular Contingency Account.

7 10.

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

11 11.

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

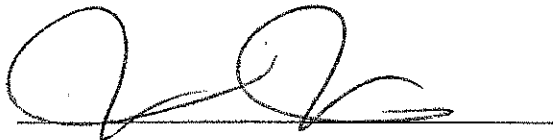
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12.

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 February, 2015.

Respectfully submitted,
Ellen Rosenblum
Attorney General



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

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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.

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DATED this 2nd day of February 2015

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Tommy Brooks
Attorney
Crooked River Ranch Water Company

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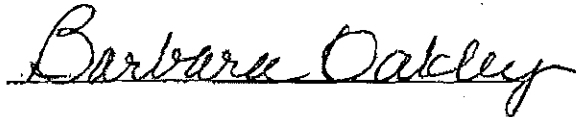
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14.

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 2nd day of February 2015.



Barbara Oakley
Customer of Crooked River Ranch Water Company
Intervener

ORDER NO.

15 062

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15.

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 2nd day of February 2015



Calvin Walter
Customer of Crooked River Ranch Water Company
Intervener

Crooked River Ranch Water Company
UW 162
Test Year: 2013

Total Revenue Above Test Year	Company Proposed Increase: 39.55%	Total Revenue Above Test Year	Staff Proposed Increase: 29.11%
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Revenue Requirement

	A	B	C	D	E	F	G	H
	Company	Company	Company	Staff	Staff	Staff	Staff	Total
	Balance per Application	Proposed Company Adjustments	Proposed Company Totals A+B=C	Staff Adjustments	Adjusted Results C+D+E	Revenue-Sensitive Adjustments	Total PUC Adjustments D+F=G	PUC Proposed Results C+G=H
REVENUES								
Unmetered Water Sales	0	0	0	0	0	0	0	0
Residential Water Sales	573,501	239,124	812,625	0	812,625	3,288	3,288	815,913
Commercial Water Sales	12,809	15,461	28,270	0	28,270	114	114	28,384
Fire Protection	0	0	0	0	0	0	0	0
Water Sales to Public Authorities	0	0	0	0	0	0	0	0
Irrigation -	0	0	0	0	0	0	0	0
Sales for Resale	0	0	0	0	0	0	0	0
Golf Course	0	0	0	0	0	0	0	0
Special Contracts	0	0	0	0	0	0	0	0
Miscellaneous Revenues	9,370	0	9,370	0	9,370	0	0	9,370
Cell Tower/Rent from Util. Property	4,468	0	4,468	0	4,468	0	0	4,468
Cross Connection Control Revenue	63,432	8,507	71,939	(71,939)	0	0	(71,939)	0
Backflow Testing Rev Add'l from CRR	1,710	0	1,710	(670)	840	0	(670)	840
TOTAL REVENUE	665,290	263,092	928,382	(72,809)	855,573	3,403	(69,406)	856,976
OPERATING EXPENSES								
Salaries and Wages - Employees	179,607	29,245	208,853	12,687	221,520	0	12,687	221,520
Salaries and Wages - Officers	0	0	0	0	0	0	0	0
Employee Pension & Benefits	6,118	4,482	10,600	(6,277)	4,323	0	(6,277)	4,323
Purchased Water	0	0	0	0	0	0	0	0
Telephone/Communications	10,630	370	11,000	(274)	10,726	0	(274)	10,726
Purchased Power	73,325	8,875	80,200	(5,409)	74,792	0	(5,409)	74,792
Fuel for Power Production	0	0	0	0	0	0	0	0
Other Utilities (gas, garbage)	773	140	913	(236)	677	0	(236)	677
Chemical / Treatment Expense	0	0	0	0	0	0	0	0
Office Supplies	5,379	(245)	5,134	(262)	4,872	0	(262)	4,872
Postage	8,489	(119)	8,374	443	8,817	0	443	8,817
O&M Materials/Supplies	37,097	(34,774)	2,323	4,967	7,290	0	4,967	7,290
Repairs to Water Plant	24,615	3,452	28,070	(16,099)	11,971	0	(16,099)	11,971
Contract Svcs - Engineering	23,868	(29,968)	0	0	0	0	0	0
Contract Svcs - Accounting	3,200	3,600	6,800	(3,600)	3,200	0	(3,600)	3,200
Contract Svcs - Legal	8,805	(201)	8,604	(871)	7,733	0	(871)	7,733
Contract Svcs - Management Fees	0	0	0	0	0	0	0	0
Contract Svcs - Testing	2,432	2,482	4,914	(1,177)	3,737	0	(1,177)	3,737
Contract Svcs - Labor	42,316	(818)	42,000	0	42,000	0	0	42,000
Contract Svcs - Billing/Collection	0	0	0	0	0	0	0	0
Contract Svcs - Meter Reading	22,744	133	22,877	(133)	22,744	0	(133)	22,744
Contract Svcs - Other	11,745	425	12,170	(502)	11,668	0	(502)	11,668
Rental of Building/Real Property	0	0	0	0	0	0	0	0
Rental of Equipment	125	0	125	0	125	0	0	125
Small Tools	3,112	0	3,112	(440)	2,672	0	(440)	2,672
Computer/Electronic Expenses	27,638	(2,375)	25,263	(3,696)	21,577	0	(3,696)	21,577
Transportation	6,593	7,372	13,965	(1,943)	12,022	0	(1,943)	12,022
Vehicle Insurance	3,973	(123)	3,850	(3,850)	0	0	(3,850)	0
General Liability Insurance	8,992	(6,622)	2,370	10,151	12,521	0	10,151	12,521
Workers' Comp Insurance	1,253	714	1,967	200	2,167	0	200	2,167
Insurance - Other	6,122	640	6,762	(6,762)	0	0	(6,762)	0
Amortz. of Rate Case	0	0	0	0	0	0	0	0
Gross Revenue Fee (PUC)	1,663	658	2,321	0	0	(174)	(174)	2,147
Bad Debt Expense	711	0	711	110	821	0	110	821
Cross Connection Control Program	90,674	(12,890)	77,784	(77,504)	280	0	(77,504)	280
Training and Certification	806	494	1,290	(699)	591	0	(699)	591
Consumer Confidence Report	200	0	200	0	200	0	0	200
Miscellaneous Expense	9,780	(2,011)	7,769	0	7,769	0	0	7,769
PR/Advertising	225	75	300	(188)	112	0	(188)	112
Contingency Deposit	20,000	(5,000)	15,000	(15,000)	0	0	(15,000)	0
USDA Replacement Reserve short lived assets	0	23,042	23,042	0	23,042	0	0	23,042
Colorado/Silverado	11,446	0	11,446	(11,446)	0	0	(11,446)	0
Line of Credit Interest Only	0	13,935	13,935	(13,935)	0	0	(13,935)	0
USDA Annual Loan Payment w/interest	0	193,629	193,629	0	193,629	0	0	193,629
TOTAL OPERATING EXPENSE	654,559	203,114	857,673	(141,753)	713,599	(174)	(141,927)	715,746
OTHER REVENUE DEDUCTIONS								
Depreciation Expense	74,211	(28,496)	45,715	75,800	121,515	0	75,800	121,515
Amort of Plant Acquisition Adjustment	0	0	0	0	0	0	0	0
Amortization Expense	0	0	0	0	0	0	0	0
Property Tax	862	0	862	0	862	0	0	862
Payroll Tax	13,811	2,249	16,060	1,991	18,041	0	1,991	18,041
Other	4,230	689	4,919	(4,919)	0	0	(4,919)	0
Federal Income Tax	0	0	0	0	0	0	0	0
Oregon Income Tax	0	0	0	0	0	0	0	0
Extraordinary Items Income Tax	0	0	0	0	0	0	0	0
TOTAL REVENUE DEDUCTIONS	747,673	177,556	925,229	(68,891)	854,017	(174)	(89,865)	856,164
NET OPERATING INCOME	(82,383)	85,536	3,153	(3,918)	1,556	3,576	(342)	2,811
UTILITY RATE BASE								
Utility Plant Invested by Company	1,051,208	184,698	1,235,904	4,232,115	5,468,019	0	4,232,115	5,468,019
Equals: Total Utility Plant	1,051,208	184,698	1,235,904	4,232,115	5,468,019	0	4,232,115	5,468,019
- Accum. Depreciation-Invested Plant	553,393	117,088	670,481	(114,900)	555,581	0	(114,900)	555,581
- Accum. Depreciation-CIAC	0	0	0	0	0	0	0	0
- Contributions in Aid of Construction	0	0	0	0	0	0	0	0
- Accumulated Deferred Income Tax	0	0	0	0	0	0	0	0
+ Accum. Amortization of CIAC	0	0	0	0	0	0	0	0
Equals: Net Invested Utility Plant	497,815	67,610	565,423	4,347,015	4,912,438	0	4,347,015	4,912,438
Plus: (working capital)	0	0	0	0	0	0	0	0
Materials and Supplies Inventory	54,528	16,926	71,473	(11,813)	59,660	0	(11,813)	59,660
Working Cash (Total Op Exp /12)	552,341	84,536	636,896	4,335,292	4,972,098	0	4,335,292	4,972,098
TOTAL RATE BASE	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Rate of Return								0.06%

UW 162 Crooked River Ranch Water Company

Stipulated Rates

Base Rate (Residential and Commercial Only)	\$34.59	No usage included
Residential/Commercial Commodity Rate	\$1.09	Per 100 cf
Temporary Event Commodity Rate	\$1.09	Per 100 cf
Water Hauler Commodity Rate	\$1.09	Per 100 cf

Temporary Events and Water Haulers do not have a base rate.

PUC Oregon No. 3

First Revised Sheet No. 1

Crooked River Ranch Water Company

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

NAMING RATES FOR

Crooked River Ranch Water Company
PO Box 2319
13845 SW Commercial Loop
Terrebonne, OR 97760

(541) 923-1041

Serving water in the vicinity of
Crooked River Ranch, Oregon

Issue Date / Filing Date	2015	Effective for Service on or after	May 23, 2015
Issued By Utility	Crooked River Ranch Water Company		

PUC Oregon No. 3

Second Revised Sheet No. 2

Crooked River Ranch Water Company

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Crooked River Ranch Water Company

SCHEDULE NO. 1

RESIDENTIAL/COMMERCIAL METERED RATES

Available: To customers of the Utility at Crooked River Ranch, Oregon, and vicinity.

Applicable: To residential and commercial premises.

Base Rate

SERVICE METER SIZE	MONTHLY BASE RATE	USAGE ALLOWANCE	MEASURING UNIT
All sizes	\$34.59	None	100 cubic feet.

Commodity (Or Variable) Usage Rate

RATE	UNITS	LIMITS
\$1.09	Per each 100 cubic feet	No Limits

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 27, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.

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First Revised Sheet No. 4

Crooked River Ranch Water Company

SCHEDULE NO. 2**RATES FOR TEMPORARY WATER SERVICE FOR
COMMUNITY SPONSORED EVENTS****Purpose:** To provide temporary water service to community sponsored events.**Available:** To temporary community sponsored events where Crooked River Ranch Water service is available. The location of the community sponsored event must have an established service connection.**Applicable:** To all temporary community sponsored events.**TEMPORARY COMMUNITY EVENT WATER
SERVICE MONTHLY RATE**

\$1.09 per 100 cubic feet

Special Provisions:

1. Meters will be provided by Crooked River Ranch Water Company (CRRWC or the Utility).

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First Revised Sheet No. 5

Crooked River Ranch Water Company

SCHEDULE NO. 3

RATES FOR WATER HAULERS

Available: To water haulers in Jefferson County where the Utility's facility and excess capacity exist. Determination of adequacy of facilities and capacity is the sole discretion of CRRWC. Each commercial water truck must be equipped with a suitable hydrant meter, suitable backflow prevention devices, and a fire hydrant wrench.

Applicable: To all water haulers

WATER HAULERS MONTHLY RATE

\$1.09 per 100 cubic feet

Special Provisions:

1. Truck meters must be presented at CRRWC office between the 21st and the 25th of each month. Bills for service are due in accordance with this tariff.
2. Commercial water haulers detected not using meters or proper equipment may be denied service for one month for the first offense. Upon Commission approval, CRRWC may deny service based upon evidence of a second offense.

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Crooked River Ranch Water Company

SCHEDULE NO. 4**BACKFLOW PREVENTION ASSEMBLIES INSTALLATION PROGRAM**

Purpose: The Utility requires an approved double check valve assembly (DCVA) or a reduced-pressure backflow assembly (RPBA) be installed in the meter box on all service connections.

Available: To customers of the Utility in Crooked River Ranch, Oregon, and vicinity.

Applicable: To residential and commercial/industrial premises.

Requirements:

- 1) Oregon Administrative Rules (OAR) Chapter 333, Division 061, administered by the Oregon Health Authority, Drinking Water Section (DWS) require the Utility to develop and implement a Cross Connection Control Program (Program).
- 2) The Utility's Program requires a DCVA or RPBA (collectively referred to as device) be installed in the meter box on all service connections by the Utility or an employee contracted by the Utility. Any device installed by someone other than the Utility after April 10, 2013, will not qualify for the program outlined in section 8 of schedule No. 4 and the Utility will install a device in the meter box and assess the customer a reasonable, at-cost amount for the device and installation. A RPBA must be installed on property where there is a health hazard per OAR 333-061-0020.
- 3) The Utility will develop a plan to install an appropriate device in all meter boxes.
- 4) The Utility will publish notice of its installation plan and updates in its newsletter.
- 5) The customer will be assessed an "at-cost" charge for the device and installation.
- 6) The Utility will notify customers in writing 30 calendar days prior to installation of the device. The notice will include the estimated cost and advise tenants to contact their landlord regarding payment.

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- 7) The Utility will be responsible for the annual testing, maintenance, repair, and replacement of all the Utility-owned devices. The customer will not be billed for these services.
- 8) Property owners that have an approved device installed at the meter and is testable as per the Utility's Cross Connection Control Program, may transfer ownership of the device to the Utility on January 1, 2014. At that time, the Utility will assume ownership and all responsibility for testing, maintenance, repair, and replacement at no cost. If the property owner has a backflow device that is not approved by the Utility or is not testable, the property owner will be required to make any changes needed at their cost before the Utility will assume ownership of the device. Otherwise, the Utility will install a device in the meter box and assess the customer a reasonable, at-cost amount for the device and installation.
- 9) When property is sold, if an approved device is not installed in the meter box, the Utility will install an approved device in the meter box and charge the new customer for the device and installation. This applies even if a previous property owner participated in Section 8 of Schedule 4.

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SCHEDULE NO. 5

INTERIM ANNUAL TESTING SERVICE

For property owners who own an installed backflow prevention assembly

Purpose: The Utility will provide a DCVA/RPBA testing service for property owners that own an approved DCVA/RPBA installed at the meter. The Utility will provide annual testing of the device under this tariff (Schedule No. 5) until January 1, 2014, or until a DCVA/RPBA is installed by the Utility in the meter box.

Available: This program is available ONLY to property owners who own an approved DCVA/RPBA located at the meter.

Applicable: To residential and commercial/industrial premises where the DCVA/RPBA is located at the meter.

Program Description:

CRRWC will provide annual testing of a property owner's DCVA/RPBA until the Utility either takes ownership of the property owner's DCVA/RPBA, if gifted to the Utility under Schedule No. 4 on January 1, 2014, or until a DCVA/RPBA is installed at the meter box by a utility employee or representative. The testing will be performed by a state certified tester pursuant to Oregon Administrative Rules 333-061-0070 through OAR 333-061-0072.

Fees:

1. Annual Testing Charge – \$10.00.
2. The Utility will separately itemize the testing service fee on the customer's bill. If the customer is a tenant, CRRWC will inform the tenant to contact the landlord for payment.
3. The Utility reserves the right to propose before the PUC any change in the amount charged for the Utility's DCVA/RPBA Annual Testing Service.
4. Customers who fail to provide the Utility with annual Backflow Assembly 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)

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Crooked River Ranch Water Company

SCHEDULE NO. 6**MISCELLANEOUS SERVICE CHARGES**

This schedule lists the miscellaneous charges included in the utility's Rules and Regulations; refer to the appropriate rules for an explanation of charges and conditions under which they apply.

Connection Charge for New Service (Rule Nos. 8 & 9)

Standard 3/4-inch service	At cost, including meter
Nonstandard 3/4-inch service	At cost, including meter
Larger than 3/4-inch	At cost, including meter
Irrigation hookup (if provided on separate system)	At cost, including meter
DCV/RPBA Installation	At cost, including device

Meter Test (Rule No. 21)

First test within 12-month period	N/C
Second test within 12-month period	\$25

Pressure Test (Rule No. 42)

First test within 12-month period	N/C
Second test within 12-month period	\$25

Late-Payment Charge (Rule No. 22)Pursuant to OAR 860-036-0130
(as of 1/1/15– 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 1/1/15 – 0.1%)**Returned Payment Charge** (Rule No. 23)

\$27

Trouble-Call Charge (Rule No. 38)

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

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

During normal office hours	\$25
After normal office hours on special request	\$40

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

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Crooked River Ranch Water Company

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 Crooked River Ranch Water Company.

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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Crooked River Ranch Water Company

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. The Utility's rules and regulations;
- D. Commission rules and regulations;
- E. Approved tariffs;
- F. Rights and Responsibilities Summary for Oregon Utility Consumers;
- G. Notices in foreign languages, if available;
- H. The Utility's business address, telephone number, and emergency telephone number; and
- I. Notices approved by the Commission.

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

Application for water service must be made for each individual service. The application shall identify the applicant, the premises to be served, the billing address if different, the type of use to which the water is to be put, and an agreement to conform to the Rules and Regulations of the Utility as a condition for receiving such service. The applicant shall, at this time, pay any scheduled fees or deposits. An application is a request for 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 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, and 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, CRRWC shall promptly and automatically refund the deposit plus accrued interest by (check one) (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's right-of-way, or at the meter.

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~~Crooked River Ranch Water Company~~**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.

- 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. Generally, the cost of the meter is excluded from 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 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 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.

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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 5 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.

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 ground 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))

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

- A. An overdue amount remains outstanding by 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 residential customers or applicants who were disconnected for theft of service, the Utility shall provide service to an 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 water service. Irrigation service shall not be refused due to obligations connected with non-irrigation 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.

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

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

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

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

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

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 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)).

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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 a 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.

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 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, the Utility shall refund the fee to the customer.

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

All bills, including closing bills, are due and payable at the Utility's office within **15 days** 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.

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 30 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.

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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.

Rule 25: Adjustment of Bills (OAR 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 CRRWC 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.

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Rule 26: Application of Partial Payments

Partial payments of 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 (OAR 860-036-0140)

If the Utility identifies a balance a customer owes from the customer's prior account for Oregon service, the Utility shall have the option to transfer the amount to the customer's current account. The 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).

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 CRRWC 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 services rendered until CRRWC 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.

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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, 1800-522-2404.

Prior to disconnection on the day that the Utility intends to disconnect, the Utility must make a good-faith effort to physically contact the customer to be disconnected or an adult at the customer's premise to be disconnected to advise the customer or adult of the proposed disconnection. If contact is not made, the Utility shall leave a notice in a conspicuous place at the customer's premise informing the customer that service has been or is about to be disconnected. The Utility shall document its efforts to 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 non-irrigation service. (OAR 860-036-0225)

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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 leveled-payment plan and an equal-payment arrearage plan. The 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.

Rule 31 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 32: Disconnection and Reconnection of Water Service Field Visit Charge

Disconnection Charge

When service is disconnected pursuant to OAR 860-036-0245 or OAR 860-036-0250, the 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 860-036-0345 or OAR 860-036-0250, the Utility may charge the reconnection fee stated in its tariff.

Field Visit Charge

The Utility may assess a field visit charge whenever the Utility visits a customer service address intending to reconnect or disconnect service, but due to customer action, the 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 the 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.

Rule 33: 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 may be disconnected without notice.

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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 34: Unauthorized Use

No person shall be allowed to make connection to the Utility's 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 35: 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. CRRWC 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 36: 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 37: Damages/Tampering

Should damage result to any utility 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 38: 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 39: Trouble Call

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

Rule 40: 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.

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Rule 41: Water Pressure (OAR 860-036-0315)

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

In general, 40 psi of water pressure in the water mains is usually adequate for the purposes of this rule. 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 42: 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 43: 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 or other reasonable point likely to best reflect the actual service pressure.

Rule 44: Maps/Records (OAR 860-036-0335)

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

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Rule 45: Utility Line Location (One Call Program) (OAR 860-036-0345)

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

Rule 46: Cross Connection/Backflow Prevention Program

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

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