

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UW 183

In the Matter of

OREGON WATER UTILITIES –  
MOUNTAIN LAKES, INC.

Request for a General Rate Revision.

ORDER

DISPOSITION: STIPULATION ADOPTED; RATE INCREASE APPROVED

**I. INTRODUCTION**

In this order, we adopt an uncontested stipulation between the parties resolving all issues related to the application for a general rate revision by Oregon Water Utilities - Mountain Lakes, Inc. (Mountain Lakes). A copy of the stipulation is attached to this order, as Appendix A. As a result of this stipulation, Mountain Lakes' revenue requirement will increase from adjusted test period revenue of \$580,211 to \$679,377.

**II. BACKGROUND**

Mountain Lakes is located in Klamath County, Oregon and is a privately owned, for-profit, water utility. Mountain Lakes provides water service to approximately 784 customers living in four communities: Running Y, Ridgewater, Southview, and Pinecrest. Mountain Lakes is a wholly-owned subsidiary of North West Utility Systems (NWUS), which is in turn, a wholly owned subsidiary of SouthWest Water Company (SWWC). Additionally, SWWC owns Suburban Water Systems, which, along with NWUS, provide services to Mountain Lakes through an Affiliated Interest contract.

Mountain Lakes' current rates became effective following issuance of Order No. 09-094 in Docket UW 132. Mountain Lakes was purchased by SWWC in 2017. The SWWC purchase was approved by the Commission in Docket UP 346, Order No. 17-168. In 2018, SWWC also acquired Southview Water Services (Southview Water), a non-regulated system. The system was then transferred to Mountain Lakes in 2020. Commission approval of the sale and acquisition of Southview Water was not required. In 2020, Mountain Lakes also acquired Pinecrest Water Company, a service regulated

system, approved by the Commission in Docket UP 408, Order No. 20-104. Each system was incorporated into the rate structure of Mountain Lakes' tariffs.

On September 30, 2020, Mountain Lakes filed for a general rate revision. The general rate case application used 2019 as a test year, with test revenues at \$580,211 and requesting a revenue requirement of \$766,499. Mountain Lakes requested a total rate base of \$3,156,214, including a 7.29 percent rate of return.

On November 5, 2020 a public comment hearing was held. On January 25, 2021, the Commission granted a motion to suspend the procedural schedule, filed in anticipation of a stipulation agreed upon by parties in settlement discussions. On March 1, 2021, Mountain Lakes and Staff (collectively, Stipulating Parties) filed a stipulation, which was subsequently admitted into the record.

### **III. THE STIPULATION**

The Stipulating Parties agree to a revenue requirement of \$679,377, which allows the company an opportunity to earn a 7.04 percent rate of return on a total rate base of \$2,685,841, and reflects an increase of 17.09 percent over the 2019 test period revenues.

With this adjustment, the average residential or commercial monthly water bill, for a customer served through a 5/8 inch meter, would increase from \$45.34 to \$50.69. The Stipulating Parties agree that Mountain Lakes' rate design will split the monthly base rates and commodity rates as follows: a 70/30 split for residential/commercial customers; a 65/35 split for non-golf irrigation customers; and a 66/34 split for golf customers.

The Stipulating Parties agree to enter into discussions prior to the company filing its next general rate revision regarding tax treatments in future rate cases. These discussions will specifically include how the company's accumulated deferred income taxes should be accounted for in future rate cases, and how any excess deferred income taxes resulting from the 2017 Tax Cut and Jobs Act should be accounted for in future rate cases.

### **IV. RESOLUTION**

After reviewing Staff's testimony, we find that Staff performed a comprehensive review of Mountain Lakes' application and fully considered the issues presented. We find the stipulation to be a reasonable resolution of these issues and adopt the stipulation in its entirety.

**V. ORDER**

IT IS ORDERED that:

1. Advice No. 20-3 filed by Oregon Water Utilities - Mountain Lakes, Inc., is permanently suspended.
2. The stipulation between Oregon Water Utilities - Mountain Lakes, Inc., and Staff of the Public Utility Commission of Oregon, attached as Appendix A, is adopted.
3. Oregon Water Utilities - Mountain Lakes Inc., is authorized to immediately file tariffs in accordance with the adopted stipulation, with an effective date of May 1, 2021.

Made, entered, and effective APR 27 2021.



**Megan W. Decker**  
Chair



**Letha Tawney**  
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 183

In the Matter of

OREGON WATER UTILITIES –  
MOUNTAIN LAKES, INC.

Request for a General Rate Revision

STIPULATION

This Stipulation is among Oregon Water Utilities – Mountain Lakes, Inc. (Mountain Lakes or Company) and the Public Utility Commission of Oregon (Staff) (hereafter, collectively referred to as the Stipulating Parties). At the time this Stipulation was filed there were no other parties to this proceeding.

**I. INTRODUCTION**

On September 30, 2020 Mountain Lakes filed a request for a General Rate Revision. In its application, Mountain Lakes sought to increase its adjusted test period revenues from \$580,211 to \$766,449, an increase of 32.10 percent.

The Stipulating Parties reviewed the Company’s filing and responses to data requests from Staff and held multiple settlement conferences to discuss and address the issues in this case. As a result of those discussions, the Stipulating Parties have reached agreement on all issues as set forth in this Stipulation. The Stipulating Parties respectfully request that the Commission issue an order adopting this Stipulation.

**II. TERMS OF THE STIPULATION**

1. The Stipulating Parties support entering into evidence, without requiring any Stipulating Party to lay a foundation for their admission, this Stipulation, Stipulation Attachments A (revenue requirement), and B (tariffs), Staff’s written Testimony in Support of the Stipulation (Exhibit Staff/100), and additional supporting exhibits (Exhibits Staff/101, Staff/102, and Staff/103).

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2. The Stipulating Parties agree to recommend and support a reduction in total revenue requirement requested by Mountain Lakes to a total of \$679,377, which allows for an opportunity to earn a 7.04 percent rate of return on a total rate base of \$2,685,841, and reflects an increase of 17.09 percent over the 2019 test period revenues. The stipulated revenue requirement and adjustments are included as Attachment A to this Stipulation.

3. The Stipulating Parties agree to and support the rates, fees, rules, and regulations contained in Attachment B to this Stipulation, which includes Mountain Lakes' tariff sheets PUC Oregon No. 5, Original Sheet Nos. 1 through 30.

4. The Stipulating Parties agree that the rates, fees, rules, and regulations contained in Attachment B to this Stipulation shall be effective for service rendered on and after May 1, 2021, or three business days after the date the Commission issues an order adopting this Stipulation, whichever is later.

5. The Stipulating Parties agree that Mountain Lakes' rate design will split the monthly base rates and commodity rates as follows: a 70/30 split for residential/commercial customers; a 65/35 split for non-golf irrigation customers; and a 66/34 split for golf customers.

6. The Stipulating Parties agree to enter into discussions prior to the Company filing its next general rate revision regarding tax treatments in future rate cases. These discussions will specifically include how the Company's Accumulated Deferred Income Taxes should be accounted for in future rate cases, and how any Excess Deferred Income Taxes resulting from the 2017 Tax Cut and Jobs Act should be accounted for in future rate cases.

1           7.       The Stipulating Parties have negotiated this Stipulation in good faith and  
2 recommend that the Commission adopt the Stipulation in its entirety.

3

4           8.       This Stipulation represents a compromise in the positions of the Stipulating  
5 Parties. By entering into this Stipulation, no Stipulating Party shall be deemed to have approved,  
6 accepted, or consented to the facts, principles, methods, or theories employed by any other  
7 Stipulating Party in arriving at the terms of this Stipulation.

8

9           9.       Without the written consent of all Stipulating Parties, evidence of conduct or  
10 statements, including but not limited to term sheets or other documents created solely for use in  
11 settlement conferences in this docket, and conduct or statements made at settlement conferences,  
12 are confidential and not admissible in this or any subsequent proceeding, unless independently  
13 discoverable or offered for other purposes allowed under ORS 40.190.

14

15           10.      The Stipulating Parties understand that this Stipulation addresses only Mountain  
16 Lake's request for a general rate increase in this instance, is not binding on the Commission in  
17 deciding Mountain Lake's application for a general rate increase, and does not foreclose the  
18 Commission from addressing any other issues or foreclose a Stipulating Party from raising issues  
19 in a different proceeding.

20

21           11.      The Stipulating Parties have negotiated this Stipulation as an integrated  
22 document. Accordingly, if the Commission rejects all or any material portion of this Stipulation,  
23 or adds any material condition to any final order that is not consistent with this Stipulation, each  
24 Stipulating Party reserves the right, upon written notice to the Commission and all parties to this  
25 proceeding within 15 days of the date of the Commission's final order, to withdraw from the  
26 Stipulation and to present additional evidence and argument on the record. However, prior to

1 withdrawal, the Stipulating Party who wishes to withdraw must engage in good faith negotiation  
2 with the other Stipulating Party. No Party withdrawing from this Stipulation shall be bound to  
3 any position, commitment, or condition of this Stipulation. Nothing in this paragraph provides  
4 any Stipulating Party the right to withdraw from this Stipulation as a result of the Commission's  
5 resolution of issues that this Stipulation does not resolve.

6

7 12. The Stipulating Parties agree to support Commission approval of the Stipulation,  
8 throughout this proceeding and any subsequent appeal, and to provide either witnesses to sponsor  
9 testimony or legal representatives to support this Stipulation. If any other party to this  
10 proceeding challenges this Stipulation or if any other interested person objects to this Stipulation  
11 in comments, the Stipulating Parties agree to cooperate in responding to bench requests,  
12 preparing supplemental testimony, participating in cross-examination, and to put on such a case  
13 as they deem appropriate to respond fully to the issues presented, which may include addressing  
14 issues incorporated in the settlements embodied in this Stipulation.

15

16 13. This Stipulation may be executed in any number of counterparts, each of which  
17 will be an original for all purposes, but all of which taken together will constitute one and the  
18 same agreement. The Parties further agree that any electronically-generated Party signatures are  
19 valid and binding to the same extent as an original signature.

20

21 14. This Stipulated Agreement may not be modified or amended except by written  
22 agreement among all Parties who have executed it.

23

24 DATED: February 24, 2021 /s/ Jill Goatcher  
25 Jill Goatcher OSB # 202294  
26 Assistant Attorney General  
Of Attorney for Staff of the Public Utility  
Commission of Oregon



DATED: February 26, 2021

Irion Sanger, OSB #003750  
Of Attorney for Oregon Water Utilities,  
Mountain Lakes, Inc.

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Company Name	OWU-ML
Docket No.	UW 183
Test Year	2019

Company Proposed Increase
32.10%

Staff Proposed Increase
17.09%

Revenue Requirement

REVENUES		Test Year RY&RW	Test Year SV	Test Year PC	Adjusted Test Year	Company Adjustments	Company Proposed Totals	Staff Adjustments to Company Totals	Staff Proposed Totals
460	Unmetered				-		\$ -		\$ -
461.1	Residential	298,543	51,056	10,910	360,509	119,846	\$ 480,355	(78,708)	\$ 401,647
461.2	Commercial	68,246	5,275		73,521	24,441	\$ 97,962	2,450	\$ 100,412
462	Fire Protection Sales				-		\$ -		\$ -
465	Irrigation Water Sales	56,706			56,706	18,851	\$ 75,557	(980)	\$ 74,577
466	Water Sales for Resale				-		\$ -		\$ -
467	Golf Course	69,487			69,487	23,100	\$ 92,587	(9,834)	\$ 82,753
468	Special Contract				-		\$ -		\$ -
471	Miscellaneous Services	205	84		289		\$ 289		\$ 289
475	Cross Connection Control	18,880	1,835		20,715		\$ 20,715		\$ 20,715
474	Other	(1,073)	57		(1,016)		\$ (1,016)		\$ (1,016)
	<b>Total Revenue</b>	<b>\$ 510,994</b>	<b>\$ 58,307</b>	<b>\$ 10,910</b>	<b>\$ 580,211</b>	<b>\$ 186,238</b>	<b>\$ 766,449</b>	<b>\$ (87,072)</b>	<b>\$ 679,377</b>

Acct . OPERATING EXPENSES

601	Salaries and Wages - Employees	74,699	7,944		82,643		\$ 82,643	\$ -	\$ 82,643
601.1	Capitalized Overhead	(12,980)	(431)	(3,555)	(16,966)		\$ (16,966)	\$ 8,483	\$ (8,483)
603	Salaries and Wages - Officers				-		\$ -	\$ -	\$ -
604	Employee Pension & Benefits	26,936	3,115		30,051		\$ 30,051	(25,582)	\$ 4,469
610	Purchased Water				-		\$ -	\$ -	\$ -
611	Telephone/Communications	909	461		1,370		\$ 1,370	\$ -	\$ 1,370
615	Purchased Power	60,754	7,571	1,696	70,021		\$ 70,021	\$ -	\$ 70,021
616	Fuel for Power Production				-		\$ -	\$ -	\$ -
617	Other Utilities				-		\$ -	\$ -	\$ -
618	Chemical / Treatment Expense				-		\$ -	\$ -	\$ -
619	Office Supplies	1,662	189		1,851		\$ 1,851	(756)	\$ 1,095
619.1	Postage	3,081	350	48	3,479		\$ 3,479	(3,081)	\$ 398
620	O&M Materials/Supplies	784	62		846		\$ 846	\$ -	\$ 846
621	Repairs to Water Plant	2,789	1,536	550	4,875		\$ 4,875	\$ -	\$ 4,875
631	Contract Svcs - Engineering				-		\$ -	\$ -	\$ -
632	Contract Svcs - Accounting	1,800	204		2,004		\$ 2,004	\$ -	\$ 2,004
633	Contract Svcs - Legal	543	62		605		\$ 605	\$ -	\$ 605
634	Contract Svcs - Management Fees	83,432	9,976		53,396	652	\$ 53,396	\$ 9,978	\$ 63,374
635	Contract Svcs - Testing	2,465	2,170	500	5,135	381	\$ 5,135	(500)	\$ 4,635
636	Contract Svcs - Labor				-		\$ -	\$ -	\$ -
637	Contract Svcs - Billing/Collection				-		\$ -	\$ -	\$ -
638	Contract Svcs - Meter Reading				-		\$ -	\$ -	\$ -
639	Contract Svcs - Other	1,366	2,302		3,668		\$ 3,668	\$ -	\$ 3,668
641	Rental of Building/Real Property	2,490	286		2,776		\$ 2,776	\$ -	\$ 2,776
642	Rental of Equipment				-		\$ -	\$ -	\$ -
643	Small Tools	132	23		155		\$ 155	\$ -	\$ 155
648	Computer/Electronic Expenses	1,170	133		1,303		\$ 1,303	(1,133)	\$ 170
650	Transportation	7,253	770		8,023		\$ 8,023	\$ -	\$ 8,023
656	Vehicle Insurance	1,668			1,668		\$ 1,668	\$ -	\$ 1,668
657	General Liability Insurance	966	109		1,075		\$ 1,075	\$ -	\$ 1,075
658	Workers' Comp Insurance	197	22		219		\$ 219	(197)	\$ 22
659	Insurance - Other	3,995	453		4,448		\$ 4,448	\$ -	\$ 4,448
666	Amortz. of Rate Case				3,500		\$ 3,500	(1,750)	\$ 1,750
667	Gross Revenue Fee (PUC)	1,592			2,031		\$ 2,683	(305)	\$ 2,378
670	Bad Debt Expense	1,479	359		1,838		\$ 2,219	\$ -	\$ 2,219
671	Cross Connection Control Program				-		\$ -	\$ -	\$ -
673	Training and Certification	872	94		966		\$ 966	\$ -	\$ 966
674	Consumer Confidence Report				-		\$ -	\$ -	\$ -
675	Miscellaneous Expense	6,561	483		7,044		\$ 7,044	108	\$ 7,152
660	Advertising	15	2		17		\$ 17	\$ -	\$ 17
OE2	Other Expense 2				-		\$ -	\$ -	\$ -
OE3	Other Expense 3				-		\$ -	\$ -	\$ -
OE4	Other Expense 4				-		\$ -	\$ -	\$ -
OE5	Other Expense 5				-		\$ -	\$ -	\$ -
	<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 276,630</b>	<b>\$ 38,245</b>	<b>\$ (761)</b>	<b>\$ 278,041</b>	<b>\$ 1,033</b>	<b>\$ 279,074</b>	<b>\$ (14,735)</b>	<b>\$ 264,339</b>

UW 180 - Oregon Water Utilities - Mountain Lakes Inc. - Stipulation Attachment A

**OTHER REVENUE DEDUCTIONS**

403	Depreciation Expense	162,871	17,860	10,300	191,031		\$ 191,031	\$ (20,455)	\$ 170,576
406	Amort of Plant Acquisition Adjustment				-		\$ -	\$ -	\$ -
407	Amortization Expense				-		\$ -	\$ -	\$ -
408.11	Property Tax	724	(1,343)	1,332	3,320		\$ 3,320	\$ -	\$ 3,320
408.12	Payroll Tax	6,580	289		6,869		\$ 6,869	\$ -	\$ 6,869
408.13	Other				-		\$ -	\$ -	\$ -
409.10	Federal Income Tax	13,479	684	8	21,199	23,715	\$ 44,914	\$ (11,001)	\$ 33,913
409.11	Oregon Income Tax	3,854	196	2	6,061	5,091	\$ 11,152	\$ 260	\$ 11,412
409.13	Extraordinary Items Income Tax				-		\$ -	\$ -	\$ -
	<b>TOTAL REVENUE DEDUCTIONS</b>	<b>\$ 464,138</b>	<b>\$ 55,931</b>	<b>\$ 10,881</b>	<b>\$ 506,521</b>	<b>\$ 29,839</b>	<b>\$ 536,360</b>	<b>\$ (45,932)</b>	<b>\$ 490,428</b>
	<b>Net Operating Income</b>	<b>\$ 6</b>	<b>\$ 2,376</b>	<b>\$ 29</b>	<b>\$ 73,690</b>	<b>\$ 156,399</b>	<b>\$ 230,089</b>	<b>\$ (41,140)</b>	<b>\$ 188,949</b>

**UTILITY RATE BASE**

101	Utility Plant in Service	12,799,657	318,507	335,706	13,453,870		\$ 13,453,870	\$ 69,198	\$ 13,523,068
105	Construction Work in Progress				-		\$ -	\$ -	\$ -
108	- Accumulated Depreciation of Plant	2,366,255	125,527	286,438	2,778,220		\$ 2,778,220	\$ 55,878	\$ 2,834,098
271	- Contributions in Aid of Construction	65,357			65,357		\$ 65,357	\$ 1	\$ 65,358
272	+ Accumulated Amortization of CIAC	6,760			6,760		\$ 6,760	\$ (4,871)	\$ 1,889
281	- Accumulated Deferred Income Tax	(280,049)			-		\$ -	\$ 483,832	\$ 483,832
	- Excess Capacity	7,488,440			7,488,440		\$ 7,488,440	\$ (6,240)	\$ 7,482,200
	<b>= NET RATE BASE INVESTMENT</b>	<b>\$ 3,166,414</b>	<b>\$ 192,980</b>	<b>\$ 49,268</b>	<b>\$ 3,128,613</b>	<b>\$ -</b>	<b>\$ 3,128,613</b>	<b>\$ (469,144)</b>	<b>\$ 2,659,469</b>
	Plus: (working capital)								
151	Materials and Supplies Inventory	4,344			4,344		\$ 4,344	\$ -	\$ 4,344
	Working Cash (Total Op Exp /12)	23,053	3,187	(63)	23,171	86	\$ 23,257	\$ (1,229)	\$ 22,028
	<b>TOTAL RATE BASE</b>	<b>\$ 3,193,811</b>	<b>\$ 196,167</b>	<b>\$ 49,205</b>	<b>\$ 3,156,128</b>	<b>\$ 86</b>	<b>\$ 3,156,214</b>	<b>\$ (470,373)</b>	<b>\$ 2,685,841</b>
	<b>Rate of Return</b>	<b>0.00%</b>	<b>1.21%</b>	<b>0.06%</b>	<b>2.33%</b>		<b>7.29%</b>		<b>7.04%</b>

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

**NAMING RATES FOR**

**OREGON WATER UTILITIES – MOUNTAIN LAKES, INC.**  
**5391 RUNNING Y ROAD**  
**KLAMATH FALLS, OR 97601**

**(541) 850-5566**

Serving water in the vicinity of

Klamath County, Oregon

Issue Date / Filing Date	March 1, 2021	Effective for Service on or after	May 1, 2021
Issued By Utility	Oregon Water Utilities – Mountain Lakes, Inc.		
Signature			
Name & title	Craig Gott, President		

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Issue Date / Filing Date	March 1, 2021	Effective for Service on or after	May 1, 2021
Issued By Utility	Oregon Water Utilities – Mountain Lakes, Inc.		
Signature			
Name & title	Craig Gott, President		

**SCHEDULE NO. 1**

**RESIDENTIAL/COMMERCIAL/INDUSTRIAL METERED RATES**

**Available:** To customers of the Utility in Klamath County, Oregon, and vicinity.

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

**Monthly Base Rate**

SERVICE METER SIZE	BASE RATE	USAGE ALLOWANCE
5/8 inch or 3/4 inch	\$35.69	None
1 inch	\$89.23	None
1½ inch	\$178.47	None
2 inch	\$285.55	None
3 inch	\$535.41	None
4 Inch	\$892.34	None
6 Inch	\$1,784.69	None
8 Inch	\$2,855.50	None
10 Inch	\$5,264.83	None
12 Inch	\$7,674.17	None

**Commodity Usage Rate**

TIER	RATE	PER	TIER CONSUMPTION	
Tier 1	\$1.71	1,000 gal	Up to	25,000 gal
Tier 2	\$2.30	1,000 gal	Above	25,000 gal

**Special Provisions:**

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

Issue Date / Filing Date	March 1, 2021	Effective for Service on or after	May 1, 2021
Issued By Utility	Oregon Water Utilities – Mountain Lakes, Inc.		
Signature			
Name & title	Craig Gott, President		

**SCHEDULE NO. 2**  
***RESERVED FOR FUTURE USE***

Issue Date / Filing Date	March 1, 2021	Effective for Service on or after	May 1, 2021
Issued By Utility	Oregon Water Utilities – Mountain Lakes, Inc.		
Signature			
Name & title	Craig Gott, President		

**SCHEDULE NO. 3**  
**IRRIGATION (NON-GOLF COURSE) METERED RATES**  
(delivered under pressure)

**Available:** To customers of the Utility in Klamath County, Oregon, and vicinity.

**Applicable:** To irrigation (non-golf course) customers.

**Monthly Base Rate**

SERVICE METER SIZE	BASE RATE	USAGE ALLOWANCE
5/8 inch or 3/4 inch	\$24.34	None
1 inch	\$43.81	None
1½ inches	\$53.55	None
2 inches	\$111.97	None
3 inches	\$182.55	None
4 Inch	\$892.34	None
6 Inch	\$1,784.69	None
8 Inch	\$2,855.50	None
10 Inch	\$3,590.22	None
12 Inch	\$7,674.17	None

**Commodity Usage Rate**

RATE	PER
\$0.70	1,000 gal

**Special Provisions:**

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

Issue Date / Filing Date	March 1, 2021	Effective for Service on or after	May 1, 2021
Issued By Utility	Oregon Water Utilities – Mountain Lakes, Inc.		
Signature			
Name & title	Craig Gott, President		

APPENDIX A

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**SCHEDULE NO. 4**  
**GOLF COURSE METERED RATES**  
(delivered at atmosphere)

**Available:** To customers of the Utility in Klamath County, Oregon, and vicinity.

**Applicable:** To irrigation (golf course) customers.

**Base Rate**

SERVICE METER SIZE	BASE RATE	USAGE ALLOWANCE
5/8 inch or 3/4 inch	\$21.28	None
1 inch	\$53.20	None
1½ inches	\$106.39	None
2 inches	\$170.23	None
3 inches	\$319.18	None
4 Inch	\$531.96	None
6 Inch	\$1,063.93	None
8 Inch	\$1,702.28	None
10 Inch	\$3,138.58	None
12 inches	\$4,574.88	None

**Commodity Usage Rate**

RATE	PER
\$0.28	Per 1,000 gal

**Special Provisions:**

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

Issue Date / Filing Date	March 1, 2021	Effective for Service on or after	May 1, 2021
Issued By Utility	Oregon Water Utilities – Mountain Lakes, Inc.		
Signature			
Name & title	Craig Gott, President		

**SCHEDULE NO. 5  
COMMODITY POWER COST ADJUSTMENT**

Schedule No. 5 is an “Automatic Adjustment Clause” as defined in ORS 757.210. It is subject to review by the Commission at least once every two years.

**PURPOSE:** To define procedures for periodic revision in rates due to changes in the Utility’s purchased commodity power cost, to describe how a rate change for purchased commodity power cost is calculated, and to identify any other requirements.

**APPLICABLE:** The commodity power cost adjustment applies to the following schedules contained in the Utility’s tariffs: Schedules 1, 3, and 4.

**COMMODITY POWER COST ADJUSTMENT**

Changes under the applicable schedules are subject to increases or decreases that may be made without prior hearing to reflect the changes in the Utility’s purchased power costs resulting from adjustments in the rate of the Utility’s power suppliers. Such adjustments may be shown in Schedules 1, 3, and 4, or may be incorporated directly in the applicable rate schedules. The Utility may file purchased power cost adjustments periodically to be effective upon the date its power suppliers implement rate changes. If the Utility chooses to file for power cost increases, it is also obligated to file for decreases in power costs.

**DESCRIPTION OF POWER COST ADJUSTMENT CALCULATION**

Current power rate per 1,000 gallons of water, multiplied by the power provider’s percentage increase, multiplied by the power provider’s allocation percentage, equals the power cost adjustment per 1,000 gallons. For example, if Pacific Power provides 100 percent of the Utility’s electric power for domestic water and the current rate is \$0.3023 per 1,000 gallons, a 15 percent increase by Pacific Power would result in the following power cost adjustment:

$$\$0.3023 * 15\% * 100\% = \$0.045 \text{ increase per 1,000 gallons (rounded to three decimal places)}$$

**OTHER REQUIREMENTS**

The Utility shall, whenever possible, utilize its pumping operations at off-peak times in order to promote energy conservation. The Utility will adopt a time-of-day usage of electric power from power suppliers who offer such a conservation tariff.

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

Meter Test (Rule Nos. 19 & 20)

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

Pressure Test (Rule No. 39)

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

Late-Payment Charge (Rule No. 21)

Pursuant to OAR 860-036-1400

Deposit for Service (Rule No. 5)

Pursuant to OAR 860-036-1220

Returned-Check Charge (Rule No. 22)

\$20 each occurrence

Trouble-Call Charge (Rule No. 35)

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

Disconnection/Reconnect Charge (Rule Nos. 28 & 29)

During normal office hours	<u>\$25</u>
After normal office hours on special request	<u>\$50</u>

Unauthorized Restoration of Service (Rule No. 30)

Disconnection/Reconnection charge plus costs

Damage/Tampering Charge (Rule No. 28)

At cost

Disconnect Site-Visit Charge (Rule No. 29)

\$25

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**SCHEDULE NO. 7****CROSS CONNECTION CONTROL PROGRAM  
Backflow Prevention Device Services and Fees**

**PURPOSE:** The Utility offers its customers backflow prevention device/double check valve assembly (DCVA) testing, maintenance, and repair services.

**AVAILABLE:** To customers of the Utility in Klamath County, Oregon, and vicinity.

**APPLICABLE:** To residential, commercial/industrial, and irrigation premises with backflow prevention devices installed at the meter.

**PROGRAM DESCRIPTION**

Service plans include:

1. Testing of newly installed devices prior to hook up to the Company's water system.
2. The required annual backflow prevention device testing by a state certified tester pursuant to Oregon Administrative Rules 333-061-0070 through OAR 333-061-0072.
3. Maintenance and repairs on the customer-owned backflow prevention device.

The Company offers the following plans and payment options for services provided by the Company:

1. Testing of new devices.
2. Required annual device testing.
3. Payment is due upon completion of services rendered.

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**SCHEDULE NO. 7 (CONTINUED)****CROSS CONNECTION CONTROL PROGRAM**  
Backflow Prevention Device Services and Fees**BILLING RATES**

At the time of testing, customers will be billed (itemized separately on customer water bill):

Double Check Devices

New device 1" and under	\$45
New device over 1"	\$60
New device over 2"	\$85
Commercial property	Additional \$20 per device

Existing device 1" and under	\$35
Existing device over 1"	\$45
Existing device over 2"	\$85
Commercial property	Additional \$10 per device

Additional device(s)\* tested during same site visit      Discount <\$10>

\*Excludes RPs

Reduced Pressure Backflow Preventer Device (RP)

1" and under	\$45
Over 1"	\$60

Miscellaneous

Confined space entry	\$100
Labor for maintenance and repair of device (1 hr min)	\$50 per hour
Parts	At cost

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**SCHEDULE NO. 7 (CONTINUED)**

**CROSS CONNECTION CONTROL PROGRAM  
Backflow Prevention Device Services and Fees**

**OPT OUT CUSTOMERS WHO FAIL TO PROVIDE DCVA TEST RESULTS**

OPT OUT customers who fail to provide the Utility with annual DCVA test results by the customer’s annual deadline will be disconnected from water service pursuant to OAR 860-036-1680.

**SPECIAL PROVISIONS:**

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

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## RULES AND REGULATIONS

### Rule 1: Jurisdiction of the Commission

Water systems are subject to regulation as provided under ORS [Chapter 757](#)

### Rule 2: Definitions

- A. "Applicant" means a person who does not meet the definition of a customer, who applies for service with a water utility.
- B. "Commission" shall mean the Public Utility Commission of Oregon.
- C. "Commercial service" means water service provided by the water utility that the customer uses in the promotion of a business or business product that is a source of revenue or income to the customer or others using the premises.
- D. "Customer" means a person who is currently receiving water service and is entitled to certain rights as a customer under these rules. A residential customer retains customer status for 20 calendar days following voluntary disconnection of service and must be treated as a customer if he or she reapplies for service within that 20 calendar day period.
- E. "Customer's service line" is defined as the facilities used to convey water from the point of connection to the customer's point of usage. The customer owns and maintains the customer service line.
- F. "Residential service" means water service provided for domestic or irrigation purposes in a residential area and is not considered a commercial service.
- G. "Served" for purpose of delivery of any required notice or document, unless otherwise specifically noted, means: delivered in person, by personal contact over the telephone, or in writing delivered to the party's last known address. If delivered by US Mail, the notice is considered served two calendar days after the date postmarked, the date of postage metering, or deposit in the US Mail, excluding Sundays and postal holidays.
- H. "Utility" shall mean: OREGON WATER UTILITIES – MOUNTAIN LAKES, INC.
- I. "Water service connection" is defined as the facilities used to connect a water utility's distribution network to the point of connection at the customer's service line. The water utility owns and maintains the water service connection.

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## APPLICATION FOR SERVICE

### Rule 3: Information for Applicants and Customers (OAR 860-036-1100)

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

- A. A copy of its approved tariffs or statement of rates;
- B. A copy of the utility's rules and regulations applicable to the type of service being provided; and
- C. The option to receive electronic copies of all written notices to be issued on the customer's account.

### Rule 4: Application for Service (OAR 860-036-1200)

Application for water service must be made for each individual property to be served. The application shall identify the name of the applicant, the service address, the billing address, the contact information where the applicant can be reached, the type of water service requested and its intended use, and the name to be used to identify the account, if different than the applicant's actual name. 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 860-036-1210.

An application for service may be required 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.

### Rule 5: Establishment of Credit, Surety Agreements, Deposits, Interest, and Refunds of Deposits (OAR 860-036-1210, 1220, 1230, 1240, 1250, and 1260)

The utility may require an applicant or customer to pay a deposit as a guarantee of payment for services provided. Amounts held by a water utility may not exceed one-sixth of the actual or estimated annual billing for the premises. (OAR 860-036-1220)

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The water utility may adjust the deposit amount when a customer moves to a new location within the water utility's service area, and the anticipated bill at the new residence will be at least 20 percent greater than the basis of the existing deposit. (OAR 860-036-1220(5))

The Utility shall pay interest on deposits at the rate established by the Commission. After the customer has paid its water service bills for 12 consecutive months without having had service discontinued for nonpayment, or did not have more than two occasions in which a shut-off notice was issued, and the customer is not then delinquent in the payment of bills, the Utility shall promptly and automatically refund the deposit plus accrued interest by **(check one)** (OAR 860-036-1250 and 1260):

1. Issuing the customer a refund check, or  
 2. Crediting the customer's account; however, a customer is entitled to a refund upon request pursuant to OAR 860-036-1260

**Rule 6: Customer Service Line (OAR 860-036-1300(2))**

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 service line or any portion of the customer's plumbing. All leaks in the customer service line, faucets, and all other parts of the plumbing owned or controlled by the customer shall be promptly repaired so as not to waste water.

**Rule 7: Separate Control of Service**

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

**Rule 8: Water Service Connections (OAR 860-036-1300)**

The water service connection is defined as the facilities used to connect the Utility's distribution network to the point of connection at the customer's service line, including all trenching, pipe, valves, and fittings. The Utility owns, operates, maintains, and replaces the service connection when necessary and promptly repairs all breaks and leaks. The customer shall not be

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responsible for any damage or poor service due to inadequacy of the Utility's service lines or any portion of the Utility's plumbing.

**Rule 9: Service Connection Charge (OAR 860-036-1300(3))**

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

**Rule 10: Main Line Extension Policy (OAR 860-036-1310)**

A main line extension is defined as the extension of the Utility's main line necessary to provide service to a customer when the property does not currently have main line frontage.

Main line extension charges, if any, are stated in the Utility's tariff or statement of rates.

The Utility maintains a main line extension policy that lists all applicable charges; and describes the advance and refund provisions, including a description of the mechanisms for collecting and rebating the amount charged equitably among the customers who paid for the cost of the line, and provides the time period during which the advance and rebate provisions apply.

**For a period of five (5) years** after construction of the requested main line extension, the utility shall also collect from any additional applicants whose service connections or service lines shall connect directly to said main line extension an amount per foot equal to the new applicant's proportionate share of the main line extension abutting footage used. The utility will then refund the share differential amount to those customers who previously incurred 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 11: Types of Use**

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

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**Rule 12: 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 shall be considered to be equivalent to the number of equivalent dwelling units served when determining the customer count.

**Rule 13: Utility Access to Private Property (OAR 860-036-1370, -1500)**

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

**Rule 14: Restriction on Entering a Customer Residence (OAR 860-036-1330)**

No 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 15: Refusal of Service Due to Customer Accounts (OAR 860-036-1270)**

The Utility may refuse to provide service if:

- A. The applicant has amounts owing under a tariff or statement of rates; or
- B. The applicant for residential service has a roommate with amounts owing under a tariff or statement of rates, and the applicant lived with the roommate at the time the amounts owing were incurred.

Exception: If the applicant for residential service was a former residential customer with amounts owing, was involuntarily disconnected for non-payment, and applies for service within 20 calendar days of the disconnection, the Utility must provide service upon receipt of one-half of the amount owed with the remainder due within 30 calendar days. If the former customer fails to pay the remaining amounts within 30 calendar days, the Utility may disconnect service after issuing a 7-calendar day disconnection notice in accordance with OAR 860-036-1510(4).

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If service is disconnected, the Utility may refuse to restore service until it receives full payment of all amounts owing, including reconnection charges allowed under OAR 860-036-1580. Service shall not be refused for matters not related to water service.

Residential service shall not be refused due to obligations connected with nonresidential service. 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 16: Refusal of Service Due to Utility Facilities (OAR 860-036-1270)**

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

For refusal of service under this rule, the Utility shall provide a written letter of refusal to the applicant within seven calendar days, informing applicant that the details upon which the Utility's decision was based may be requested.

The details will include, but not be limited to:

- A. Provide the information required by OAR 860-036-1100(2);
- B. Explain the specific reasons for refusing water service;
- C. Inform the applicant of the right to request details upon which the Utility's decision was based; and
- D. Inform the applicant of the right to dispute the refusal by contacting the Consumer Services Section at the contact information provided in OAR 860-001-0020(2).

**Rule 17: Refusal of Service Due to Customer Facilities (OAR 860-036-1270)**

The Utility will refuse service to an applicant 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 applicant within seven calendar days stating the reason(s) for refusal and providing information regarding the Commission's complaint process.

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## METERS

### Rule 18: Utility Meters (OAR 860-036-1350, 1370(3), and 1590)

The Utility owns, maintains, and operates all meters. Meters placed in service will 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 will be provided with a suitable cover.

Where additional meters are installed by the Utility or relocated for the convenience of the customer, the actual cost incurred for any meter relocation requested by the customer will be assessed.

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. 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.

### Rule 19: Meter Testing (OAR 860-036-1350)

All meters must be tested before installation or within 30 calendar days thereafter. Meters must be accurate to no more than two percent fast or slow under normal operating conditions. The Utility must prepare a test record and retain the current and immediately prior test records for all meters tested. The test record must include:

- A. Meter identification number and location;
- B. The reason for the test;
- C. The testing method;
- D. The beginning and ending meter readings;
- E. The test results and conclusion; and
- F. All data taken at the time of the test.

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**Rule 20: Customer-Requested Meter Test (OAR 860-036-1360)**

A customer may ask the water utility to test the water meter once every 12 months at no cost. The water utility must test the water meter within seven calendar days of the request, unless the customer fails to provide the water utility reasonable access to the meter. A customer or a designated representative has the right to be present at any on-site meter test. The test must be conducted at a mutually acceptable time. Within seven calendar days of performing the requested meter test, the Utility will provide a meter test report to the customer stating:

- A. The information required by OAR 860-036-1100(2);
- B. The name of the customer requesting the test and the service address where the meter was tested;
- C. The date the meter test was requested and the date the meter test was performed;
- D. The name of the person performing the test;
- E. The meter identification number and location;
- F. The beginning and ending meter readings; and
- G. The actual test results and conclusion.

If a customer requests more than one meter test within any 12-month period and the test results indicate that the meter is registering within the two percent performance standard, the customer may be assessed a reasonable charge for the test if the charge is included in the Utility's tariff or statement of rates. If the meter registers outside the two percent performance standard, the Utility may not charge the customer for the meter test.

**BILLING****Rule 21: Billing Information and Late-Payment Charge (OAR 860-036-1010(8), 1100(2), 1400, and 1430)**

All bills, including closing bills, are due and payable within at least 15 days when rendered by deposit in the mail or other reasonable means of delivery, unless otherwise specified on the bill. A bill is considered served two calendar days after the date postmarked, the date of postage metering, or deposit in the US Mail, excluding Sundays and postal holidays.

As near as practical, meters shall be read **(check one)**  monthly,  bimonthly, or  quarterly on the corresponding day of each meter reading or billing period. The Utility will provide its customers with timely billings every month or as indicated in its tariffs or statement of

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rates. A water utility must prepare bills, including opening and closing bills, from actual meter readings, unless conditions prevent an actual meter reading. If billings are based on estimated readings, the water utility must clearly identify the estimated meter reads and the estimated consumption on the bill. The water utility must verify the actual meter reading at least once every four months and adjust the customer's bill as needed.

All water service bills will show:

- A. Separate line items for past due balance, payments and credits, new charges, late fees, and total account balance;
- B. The date new charges are due;
- C. Calculation of new charges including base or flat rate, usage billing tiers and rates, beginning and ending meter readings, the dates the meter was read, rate schedule, billing period, and number of days in the billing period;
- D. The date any late payment charge was applied and an explanation of the terms of the late payment charge; and
- E. Any other information necessary for the customer to understand and compute the charges being assessed.

A late-payment charge may be assessed against any residential account that has an unpaid balance when the next bill is being prepared. The Utility may assess a late-payment charge against any non-residential account if payment is not received by the bill due date. The charge will be computed at the late-payment rate specified in the Miscellaneous Service Charges Schedule. The late-payment rate is determined annually by the Commission, and the Utility will be notified of the rate.

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

#### Rule 22: 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.

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Rule 23: 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 billing period of not less than 27 days or more than 33 days (required billing period). 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 based on the required billing period.

Rule 24: Adjustment of Bills (OAR 860-036-1440)

When an overbilling occurs, the Utility will refund or credit amounts incorrectly collected during the 12-month period ending on the date on which the Utility issued the last incorrect bill. However, if the incorrect billing occurred more than three years before the incorrect billing is discovered, no refund or credit is required.

When an underbilling occurs, the Utility may issue a bill to collect amounts owing for the 12-month period ending on the date on the Utility issued the last incorrect bill. When such under collected amounts are billed to customers, the Utility will provide written notice to the customer detailing:

- A. The circumstances and time period of the billing error;
- B. The corrected bill amount and the amount of the necessary adjustment;
- C. The Commission's consumer complaint process; and
- D. The right for a current or former customer to enter into a time-payment agreement with the Utility.

The Utility will not bill for services provided more than two years before the underbilling was discovered. No billing adjustment will be required if a meter registers less than two percent error under conditions of normal operation. The Utility may waive rebilling or issuing a refund check when the costs make such action uneconomical.

Rule 25: Transfer Billings (OAR 860-036-1450)

If the Utility determines that a customer owes an amount from a closed account the customer previously held with the Utility, the Utility may transfer the closed account balance to the customer's current account.

The Utility will give the customer a separate, written notice of the transfer, including:

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

If the customer has a balance owing on an existing time-payment plan, the customer may enter into a new time-payment plan incorporating all amounts owing. The Utility may not transfer a balance owing on a non-residential account to a residential account.

**Rule 26: Partial Payment (OAR 860-036-1410)**

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

- A. Past due regulated tariff or statement of rates services;
- B. Currently due regulated tariff or statement of rates services;
- C. Non-regulated services.

**DISCONNECTION OF WATER SERVICE**

**Rule 27: Voluntary Discontinuance (OAR 860-036-1560)**

A customer requesting disconnection of service must provide the Utility with at least seven calendar days' advance notice. The customer is responsible for all service provided for seven calendar days following the request for disconnection or until service is disconnected, whichever comes first; or if the customer identified a specific date for disconnection in excess of seven calendar days, the customer is responsible for service rendered up to and including the requested date of disconnection.

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.

Nothing in this rule prevents the Utility from temporarily interrupting service to protect the health and safety of its customers or to maintain the integrity of its system.

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**Rule 28: Emergency Disconnection (OAR 860-036-1630)**

The Utility may terminate service in emergencies when life or property is endangered without following the procedures set forth in OAR 860-036-1630. If an unscheduled interruption of service is required, the Utility will make a reasonable effort to notify the customers affected and the Consumer Services Section in advance of the interruption, report the unscheduled interruption to the Consumer Services Section, and restore service as soon as possible after resolving the issue, unless other arrangements are agreed to by the affected customers. 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 29: Disconnection of Water Service Charge for Cause (OAR 860-036-1500, -1510, -1520, -1530, and 1550)**

The Utility may disconnect service when:

- A. A customer fails to pay charges due for services rendered under a water utility tariff or statement of rates;
- B. A customer fails to pay a deposit, fails to timely provide a surety under OAR 860 036-1230 or comply with its terms, or fails to comply with the terms of a deposit installment agreement under OAR 860-036-1240;
- C. A customer fails to comply by the terms of a payment agreement under OAR 860 036-1240(3) or 860-036-1420;
- D. A customer provides false identification to establish or to continue service;
- E. A customer has facilities that do not comply with the applicable codes, rules, regulations, or the best practices governing safe and adequate water service, including compliance with the water utility's Cross Connection Control Program;
- F. A customer fails to provide reasonable access to the meter or premises;
- G. A customer tampers with water utility facilities or engages in theft of service or unauthorized use of water;
- H. A customer fails to comply with water restriction requirements under OAR 860-036-1670; or
- I. The Commission approves the disconnection of service.

If the disconnection is due to failure to pay a deposit, secure a surety agreement, abide by a deposit installment agreement, abide by the terms of a payment arrangement, or due to the theft of service, tampering with utility property, diverting water, or unauthorized use of water, the Utility will provide one 7-day written disconnection notice prior to disconnection. For other

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disconnections, the Utility will provide two written notices in advance of disconnection: one 15-day notice and one 7-day notice.

If the disconnection is due to a customer's failure to comply with a water use restriction imposed under OAR 860-036-1670, the utility may disconnect the customer without issuing either a 15-calendar day or 7 calendar day disconnection notice.

The notices shall:

- A. Include the name, mailing address, telephone number, emergency telephone number, and email address or website of the Utility,
- B. State that the customer's water service is subject to disconnection on or after a specific date;
- C. Provide the grounds for the proposed disconnection;
- D. State what actions the customer must take in order to avoid disconnection; and
- E. Include a statement that the customer may dispute the disconnection by contacting the Commission's Consumer Services Section.

If the disconnection notice is for nonpayment, the notice shall also:

- A. State the amount the customer must pay to avoid disconnection;
- B. Provide information about the customer's eligibility for a time-payment agreement provided in OAR 860-036-1420 for residential customers, unless the customer is being disconnected for failing to comply with an existing time-payment agreement or has engaged in theft of service, tampering with utility property, diverting water, or unauthorized use of water; and
- C. Include a statement that once service is disconnected, the water utility will reconnect service only after the customer reapplies for service and pays all applicable charges.

The 7-calendar day and 15-calendar day advance written notices of disconnection will be hand-delivered in person to the customer or adult at the premises, or sent by the US Mail to the customer's billing address and designated representative. Mailed notices are considered served two calendar days after deposited in the US Mail, excluding Sundays and postal holidays. If the customer has requested to receive notices electronically, the Utility will provide an electronic notice in addition to the written notices.

Within 48 hours of disconnection, the Utility will make a good-faith effort to contact the customer or an adult at the residence and provide notice of the proposed disconnection. The notice may be provided in person or by telephone. The water utility must keep records to document how

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and when contact was made or attempted. If the Utility is unable to make personal contact, the Utility will leave a notice in a conspicuous place informing the customer that service has been disconnected.

**Disconnection of Water Service to Tenants:**

- A. If the Utility's records show that a residential billing address is different from the service address, the Utility shall mail a duplicate notice to the service address, unless the Utility has verified that the service address is occupied by the customer.
- B. If the Utility's records show that the service location is a master-metered, multi-dwelling service address, the Utility shall provide a duplicate of the 7-calendar day disconnection notice to each unit at the service address. The disconnection notice must be addressed to "Tenant." The envelope must bear a bold notice stating, "IMPORTANT NOTICE REGARDING DISCONNECTION OF WATER UTILITY SERVICE." Tenant notices may not include the dollar amount owing.
- C. The Utility shall notify the Consumer Services Section at least seven calendar days before disconnecting service to a master-metered, multi-dwelling premise.

Time Payment Agreements (OAR 860-036-1420)

Customers who are notified of pending disconnection, due to reasons other than theft of service, tampering, unauthorized use of water, or failure to abide by the terms of a Time Payment Plan, may choose between two Time Payment Agreement options. The Utility will offer such customers a choice of a levelized-payment plan and an equal-pay arrearage plan. The Utility and the customer may mutually agree to an alternate payment arrangement provided it be in writing and signed by all parties.

Disconnection for Failure to Comply With a Time Payment Agreement (OAR 860-036-1510(4)(b))

A time-payment agreement disconnection occurs when a customer fails to comply with the terms of a written time-payment agreement between the customer and the Utility, or the time-payment agreement charge becomes delinquent. The Utility will give the customer a 7- day written notice before the water service may be disconnected.

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APPENDIX A

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Rule 30: Disconnection, Reconnection and Field Visit Charge (OAR 860-036-1580)Disconnection and Reconnection Charges

If service is disconnected pursuant to OAR 860-036-1500, the Utility may assess and require payment of the disconnect fee and reconnect fee stated in its tariff prior to reconnecting service.

Field Visit Charge

The Utility may assess a field visit charge whenever the Utility visits a residential service address intending to reconnect or disconnect service, but due to customer action, is unable to complete the reconnection or disconnection at the time of the visit. The field visit charge is listed in the tariff.

Rule 31: Unauthorized Restoration of Service (OAR 860-036-1590)

After water service has been disconnected or shut off at the curb stop or at the meter, if any person not authorized by the Utility should turn it on, the water service line may be disconnected without notice as provided by OAR 860-036-1510.

Rule 32: Unauthorized Use (OAR 860-036-1590)

No person shall be allowed to make connection to the Utility mains, or to make any alteration to service connections, or to turn a curb stop off or on to any premises without written permission of the Utility. If the Utility discovers that a customer damaged, tampered with, or engaged in unauthorized use of utility property facilities, the Utility shall notify the customer of the violations and may take one or more of the following actions:

- A. Repair or restore the facilities and charge the customer the costs incurred;
- B. Adjust the customer's prior billing for loss of revenue under applicable tariffs or schedule of rates;
- C. Initiate a service disconnection as provided by OAR 860-036-1510;
- D. Require a new application for service that accurately reflects the customer's proposed water use; and
- E. Assess a deposit for restored or continued service.

Rule 33: Interruption of Service (OAR 860-036-1630, -1640)

The Utility may perform an unscheduled interruption of service as necessary to protect the health and safety of its customers or to maintain the integrity of its system. If an unscheduled interruption of service is required, the water utility must:

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- A. Make a reasonable effort to notify the customers affected and the Consumer Services Section in advance of the interruption;
- B. Report the unscheduled interruption to the Consumer Services Section at the contact information provided in OAR 860-001-0020(2), and
- C. Restore service as soon as it is reasonably possible after resolving the issue, unless other arrangements are agreed to by the affected customers.

The Utility may schedule water service interruptions for maintenance and repairs in such a manner that reasonably minimizes customer inconvenience. The Utility will provide advance written notice to all customers affected by any scheduled service interruption, and will post the notice in the utility's office and on its website, if available. The notice will include:

- A. The name, mailing address, telephone number, emergency telephone number, and email address or website of the Utility;
- B. The date, time, and estimated duration of the scheduled interruption;
- C. The purpose of the interruption;
- D. A statement cautioning customers to avoid using water during service interruptions to prevent debris in the customers' service lines; and
- E. The contact information for the Consumer Services Section provided in OAR 860 001-0020(2).

Notices of scheduled interruptions of service must be served by a door hanger or personal delivery to an adult at the affected premises at least five calendar days in advance of the service interruption or by US Mail at least ten calendar days prior to the service interruption. In addition electronic notice must be provided to customers who requested to receive notices electronically.

The Utility will keep a record of all scheduled service interruptions including time, duration, and cause of the scheduled service interruption.

**Rule 34: Water Usage Restrictions (OAR 860-036-1670)**

The Utility shall exercise due diligence to furnish a continuous and adequate supply of water to its customers. During times of water shortage, the Utility will equitably apportion its available water supply among its customers with regard to public health and safety. In times of water shortages, the Utility may restrict water usage after providing written notice to its customers and the Consumer Services Section. Notice will also be posted in the Utility's office and on its website, if available. The notification must state the reason and nature of the restrictions, the

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date restrictions will become effective, the estimated date the restrictions end, and that failure to comply with the restrictions is grounds for disconnection.

If a customer fails to comply with the water restrictions after receiving written notification, the Utility will provide a separate written warning letter to the customer including:

- A. The date;
- B. The name, mailing address, telephone number, emergency telephone number, and email address or website of the Utility;
- C. The customer's name, account number, mailing address, service address if different;
- D. The water use restrictions and statement of how the customer is violating those restrictions;
- E. A statement that the customer's water service is subject to disconnection on or after a specific date;
- F. A warning to the customer that failure to immediately comply with the restrictions may result in disconnection of service; and
- G. A statement that the customer may dispute disconnection by contacting the Consumer Services Section. The notice must include the Consumer Services Section's contact information provided in OAR 860-001-0020(2).

If a customer fails to comply with the water restrictions after receiving written notification and the warning letter, the Utility will consult with the Consumer Services Section to determine if disconnection is appropriate.

## SERVICE QUALITY

### Rule 35: Adequacy of Water Service (OAR 860-036-1600)

The Utility will maintain its facilities according to industry rules, regulations, and standards and in such condition to provide safe, adequate, and continuous service to its customers.

The Utility will not intentionally diminish the quality of service below the level that can reasonably be provided by its facilities.

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Rule 36: Trouble Call

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

Rule 37: Water Purity (OAR 860-036-1610)

The Utility will provide a domestic water supply that is free from bodily injurious physical elements and disease-producing bacteria and reasonably free from elements that cause physical damage to customer property, including but not limited to pipes, valves, appliances, and personal property.

Rule 38: Water Pressure (OAR 860-036-1650)

The Utility will maintain adequate water pressure. In general, water pressure measuring between 45 and 80 pounds per square inch in the water mains is considered adequate. However, adequate pressure may vary depending on each individual water system.

The Utility may temporarily reduce or increase water pressure for fire flows, noticed repairs and maintenance, scheduled or emergency flushing, and unscheduled or emergency repairs and outages.

Rule 39: Pressure Surveys (OAR 860-036-1650)

The Utility will maintain permanent pressure recording gauges at various locations to measure the system's water pressure, and will have a portable gauge to measure water pressure in any part of the system. The Utility will maintain all pressure gauges in good operating condition, test periodically for accuracy, and recalibrate or replace when necessary.

Rule 40: Customer-Requested Pressure Test (OAR 860-036-1660)

Upon customer request, the Utility will perform a water pressure test within seven calendar days of the request. The first pressure test in any 12-month period will be at no charge. If the customer requests an additional pressure test within any 12-month period at the same premises, the Utility will assess the customer a charge in accordance with the Utility's Miscellaneous Service Charges. The pressure will be measured at a point adjacent to the meter on the customer service line or other reasonable point most likely to reflect the actual service pressure.

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A customer or a designated representative has the right to be present at the pressure test and the test must be conducted at a mutually acceptable time.

The Utility will provide a written report to the customer within seven calendar days of the pressure test. The report will include:

- A. The name, mailing address, telephone number, emergency telephone number, and email address or website of the Utility;
- B. The customer's name and service address where the pressure was tested;
- C. The date the pressure test was requested and the date the pressure test was performed;
- D. The name of the company or employee performing the test;
- E. The place where the pressure was measured;
- F. The actual pressure reading; and
- G. The conclusion based on the test result.

**Rule 41: Utility Line Location (One Call Program)**

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 42: Cross Connection/Backflow Prevention Program (OAR 860-036-1680)**

All customers must comply with the Utility's Cross Connection Control Program to protect the water system from contamination. A customer's failure to comply is grounds for disconnection under OAR 860-036-1500.

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

**Rule 43: Maps and Records (OAR 860-036-1690)**

The Utility will prepare and retain current maps and records of the entire plant showing size, location, character, and date of installation of major plant items, including but not limited to pumps, reservoirs, main lines, distribution lines, and valves.

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