

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UW 193

In the Matter of

AVION WATER COMPANY, INC.,

Request for a General Rate Revision.

ORDER

DISPOSITION: STIPULATION ADOPTED

I. SUMMARY

In this order, we adopt an uncontested all-party stipulation resolving all issues related to the application for a general rate revision (application) by Avion Water Company, Inc. (Avion). As a result of the stipulation, Avion's annual revenues will increase by \$1,315,189 from test year revenues of \$10,236,186 to \$11,246,651, representing an increase of 13.24 percent. Individual rate increases will vary by customer class, ranging from approximately 8 to 26 percent for residential and commercial customers depending on meter size. Increases for other customers are estimated to be 18 percent for regular irrigation customers, 27 percent for fire protection customers, 13 percent for hydrant customers, 21 percent for resale customers, 19 percent for Nottingham Irrigation and Nottingham Irrigation (HOA) customers, and 28 to 31 percent for large interruptible irrigation customers depending on meter size. The stipulation includes an agreement to allow Avion to earn a rate of return (ROR) of 6.65 percent on a total rate base of \$23,126,648.

II. BACKGROUND AND PROCEDURAL HISTORY

Avion is a rate-and service-regulated water utility, providing service to residential, commercial and industrial, irrigation, resale, and fire protection customers in the Bend, Oregon area. On June 30, 2022, Avion filed an application for a general rate revision, based on a calendar year 2021 test year, including tariff sheets in Advice No. 22-03 to be effective August 1, 2022. Avion proposed an increase in annual revenues from \$10,236,186 to \$12,016,790 (or 17.4 percent). In its filing, Avion asserted that an increase in rates was needed to cover increases in operating expense including wages, electricity, materials and supplies, office supplies, and contracted services as well as

capital investments in new transmission and distribution mains and a new service center. Avion's request reflected a ROR of 7.14 percent on a rate base of \$25,372,507.

Avion shares affiliated interest relationships, as defined in ORS 757.015, with NW Natural Water Company, LLC; NW Natural Water of Oregon, LLC; Northwest Natural Holding Company; Northwest Natural Gas Company; Jan M. Wick; and Jason J. Wick. Avion transacts with NW Natural Water Company, LLC for the provision of certain services, including regulatory compliance. Additionally, Jan M. Wick and Jason J. Wick each have an affiliate interest employment agreement with Avion. We previously adopted Staff's recommendations to approve the affiliated interest relationship agreements in dockets UI 469, UI 471, and UI 472.¹

We suspended Advice No. 22-03 to conduct a comprehensive examination of the company's revenues, expenses, proposed adjustments, rate base, capital improvements, and cost of capital, as well as rate spread and design.² A public comment hearing and a prehearing conference were held on August 31, 2022. Three customers provided comments at the hearing and six customers submitted written comments regarding the proposed rate increase, with several expressing particular concerns regarding the Nottingham irrigation rates.

On November 9, 2022, Staff and Avion filed an all-party stipulation resolving all issues in these proceedings with supporting testimony and exhibits. A copy of the stipulation, including its attachments (revenue requirement and illustrative tariff), is attached, as Appendix A, to this order.

III. THE STIPULATION

The stipulation presents a comprehensive settlement of all issues. The stipulating parties recommend and request that we approve the stipulation in its entirety.

The stipulation provides for a total revenue requirement, excluding irrigation assessment revenues of \$11,246,651, as shown in Appendix A, Attachment A, to be collected in rates as set forth in the illustrative tariffs, Appendix A, Attachment B. The new rates include a monthly base charge of \$28.52 for a residential customer with a 5/8 inch meter, and a usage rate of \$1.01 per 100 cubic feet. The revenue requirement includes an agreed-upon 6.65 percent rate of return on a total rate base of \$23,126,648 and represents an increase

¹ *In the Matter of Avion Water Company, Inc., Affiliated Interest Application with NW Natural Water Company, LLC, Pursuant to ORS 757.495 and OAR 860-036-2210*, Docket No. UI 469, Order No. 22-124 (Apr 22, 2022); *In the Matter of Avion Water Company, Inc., Request for Approval of an Affiliated Interest Application with Jan M. Wick*, Docket No. UI 471, Order No. 22-196 (Jun 2, 2022); *In the Matter of Avion Water Company, Inc., Request for Approval of an Affiliated Interest Application with Jason J. Wick*, Docket No. UI 472, Order No. 22-203 (Jun 3, 2022).

² Order Nos. 22-252 (Jul 8, 2022), 22-268 (Jul 18, 2022), 22-307 (Aug 24, 2022).

of \$1,315,189, or 13.24 percent over the test period revenues included in the company's application. The stipulating parties agree to a rate effective date of January 1, 2023.

Additionally, under the stipulation, Avion will file an officer attestation of the in-service date and cost for the Miller Pit/Knott Road Extension when it has been placed in service and its cost. The stipulating parties agree that the cost recovered in this case for the Miller Pit/Knott Road Extension is limited to the amount specified in Appendix A, Attachment A, but that any additional amounts may be eligible for rate recovery in a future rate case.

The stipulation states that the company will submit its compliance filing within three business days after the Commission order in these proceedings or December 31, 2022, whichever is later.

IV. RESOLUTION

We reviewed the stipulation, its attachments, and the supporting testimony and exhibits. We find that the stipulation is a reasonable resolution of all issues presented in the docket. In response to customer comments expressing concerns about the Nottingham irrigation rates, we note that Staff conducted an analysis of Nottingham irrigation customers to ensure proper accounting for costs to those customers.³ We are satisfied that the rates under the stipulation are based on the company's demonstrated costs to provide service to customers. While the stipulation provides that the company will submit its compliance filing on the later of December 31, 2022 or three business days after a Commission order, we note that December 31, 2022 is a Saturday, and any later date would be after the requested rate effective date. We encourage the company to submit its compliance tariffs as soon as practicable after the issuance of this order to allow adequate time for Staff's review of the compliance filing in advance of the January 1, 2023 effective date. Given the end of the year calendar, this compliance filing should be made no later than December 27, 2022. With this adjustment, we adopt the stipulation, and direct that the company file tariff sheets in compliance with this order with an effective date of January 1, 2023. Additionally, in its compliance filing we direct the company to provide the estimated bill impact for residential customers with a 5/8 inch meter, with average usage of 1,755 cubic feet per month on a dollar and percentage basis.

³ Stipulating Parties/103.

V. ORDER

IT IS ORDERED that:

1. Advice No. 22-03 filed by Avion Water Company, Inc., is permanently suspended.
2. The stipulation between Avion Water Company, Inc., and the Staff of the Public Utility Commission of Oregon, attached as Appendix A, is adopted.
3. Avion Water Company, Inc., must file tariff sheets in compliance with this order with an effective date of January 1, 2023, no later than December 27, 2022. Avion Water Company, Inc., must include bill impacts in its compliance filing as directed in this order.

Made, entered, and effective Nov 30 2022.



Megan W. Decker
Chair



Letha Tawney
Commissioner



Mark R. Thompson
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 193

| | |
|---|-------------|
| 4 In the Matter of 5 AVION WATER COMPANY, INC. 6 Request for a General Rate Revision. | STIPULATION |
|---|-------------|

7
8 This Stipulation is by and between Avion Water Company, Inc. (“Avion Water” or the
9 “Company”) and Staff of the Public Utility Commission of Oregon (“Staff”) (hereafter,
10 collectively referred to as the “Stipulating Parties”). At the time this Stipulation was filed there
11 were no other parties to this proceeding.

I. INTRODUCTION

12
13 On June 30, 2022, Avion Water filed a request for a General Rate Revision, with
14 proposed rates to become effective on August 1, 2022. The Company requested to increase its
15 revenues from \$10,236,186 to \$12,016,790, or an additional \$1,780,604 (17.4 percent). By
16 Order Nos. 22-252 and 22-268, entered July 8 and July 18, 2022, Chief Administrative Law
17 Judge (“ALJ”) Moser suspended the effective date for a period of time not to exceed six months
18 until February 1, 2023. By Order No. 22-307, Chief ALJ Moser further suspended the effective
19 date until May 1, 2023.

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

II. TERMS OF THE STIPULATION

1
2
3 1. Revenue Requirement. The Stipulating Parties agree to recommend and support a
4 total revenue requirement, exclusive of irrigation assessment revenues, of \$11,246,651, as shown
5 in Attachment A to this Stipulation, to be collected in rates as set forth in Paragraph 2 of and
6 Attachment B to this Stipulation. This revenue requirement includes an agreed-upon 6.65
7 percent rate of return on a total rate base of \$23,126,648, and represents an increase of
8 \$1,315,189, or 13.24 percent, over 2021 test period revenues of \$9,931,462. Individual rate
9 increases are approximately 8 to 26 percent for residential and commercial customers depending
10 on meter size, 18 percent for regular irrigation customers, 27 percent for fire protection
11 customers, 13 percent for hydrant customers, 21 percent for resale customers, 19 percent for
12 Nottingham Irrigation and Nottingham Irrigation (HOA) customers and 28 to 31 percent for
13 large interruptible irrigation customers depending on meter size. The stipulated revenue
14 requirement and adjustments are included for review as Attachment A to this Stipulation.

15 2. Rate Effective Date. The Stipulating Parties agree to and support rates becoming
16 effective on January 1, 2023.

17 3. Rate Base. The Stipulating Parties agree that the stipulated rates in this case
18 reflect the following rate base adjustments:

19 a. Utility Plant in Service (Account 101). The Stipulating Parties agree that
20 utility plant in service includes all rate base additions from the Company's last rate case through
21 the Company's filing of this rate case, as well as rate base additions that have been completed
22 and in-service to date, or that will be completed and in-service as of January 1, 2023 ("Miller
23 Pit/Knott Road 24" Extension"). The Stipulating Parties agree that Avion Water's additions to
24 rate base are prudent. The Company also agrees to file an attestation of a Company officer
25 attesting to the date upon which the Miller Pit/Knott Road 24" Extension has been placed in
26 service and its cost. The cost recovered in this case for the Miller Pit/Knott Road 24" Extension
will not exceed the amount provided in Attachment A to this Stipulation. Costs exceeding the

1 amounts provided in Attachment A to this Stipulation may be eligible for rate recovery in a
 2 future ratemaking proceeding. The Stipulating Parties agree that these actions result in a total
 3 plant in service of \$70,846,958.

4 b. Accumulated Depreciation (Account 108). An adjustment of \$1,725,091.

5 c. Working Capital. An adjustment of (\$25,490) to reflect the amount of
 6 operating expenses agreed upon by the Stipulating Parties.

7 4. Operating Expense Adjustments. The Stipulating Parties agree that the stipulated
 8 rates in this case reflect the following operating expense adjustments:

9 a. Employee Salaries and Wages (Account 601). An adjustment of (\$55,338).

10 b. Officer Salaries and Wages (Account 603). An adjustment of \$20,454.

11 c. Employee Pension & Benefits (Account 604). An adjustment of (\$39,776).

12 d. Purchased Water (Account 610). An adjustment of (\$15,722).

13 e. O&M Materials/Supplies (Account 620). An adjustment of (\$211,868).

14 f. Contract Services -- Legal (Account 633). A transfer of (\$487) to
 15 Account 666.

16 g. Amortization of Rate Case (Account 666). A transfer from Account 633
 17 of \$487 amortized over three years, or an adjustment of \$162.

18 h. Gross Revenue Fee (PUC) (Account 667). An adjustment of (\$3,311) to
 19 reflect the revenues generated by this Stipulation.

20 5. Other Revenue Deductions. The Stipulating Parties agree that the stipulated rates
 21 in this case reflect the following adjustments to other revenue deductions:

22 a. Depreciation Expense (Account 403). An adjustment of (\$99,070).

23 b. Other (Account 408.13), Federal Income Tax (Account 409.10) and
 24 Oregon Income Tax (Account 409.11). A total adjustment of (\$35,208).

25 6. Revisions to Tariff. Staff and Avion Water agree to recommend and support the
 26 tariff revisions proposed by the Company in this rate case, with the rates adjusted to reflect this

1 Stipulation including the Rate Spread and Rate Design methodologies proposed by Staff. Those
2 tariff revisions and adjusted rates are reflected in Attachment B to this Stipulation. Subject to the
3 approval of this Stipulation, Avion Water will file revised tariff pages as a compliance filing in
4 Docket UW 193, to be effective in accordance with Paragraph 2 of this Stipulation, reflecting the
5 rates and terms and conditions as agreed to in this Stipulation. The Company will make that
6 compliance filing within three business days after the Commission order in this proceeding or
7 December 31, 2022, whichever is later.

8 7. The Stipulating Parties agree that this Stipulation is in the public interest and, in
9 the unique circumstances present in this case, will result in rates that are fair, reasonable, and
10 will meet the standard set forth in ORS 756.040.

11 8. The Stipulating Parties have negotiated this Stipulation in good faith and
12 recommend that the Commission adopt the Stipulation in its entirety.

13 9. The Stipulating Parties agree that the Stipulation represents a compromise in the
14 positions of the Stipulating Parties. By entering into this Stipulation, no Stipulating Party shall
15 be deemed to have approved, accepted, or consented to the facts, principles, methods, or theories
16 employed by any other Stipulating Party in arriving at the terms of this Stipulation.

17 10. The Stipulating Parties agree that without the written consent of all Stipulating
18 Parties, evidence of conduct or statements, including but not limited to term sheets or other
19 documents created solely for use in settlement conferences in this docket, and conduct or
20 statements made at settlement conferences, are confidential and not admissible in this or any
21 subsequent proceeding, unless independently discoverable or offered for other purposes allowed
22 under ORS 40.190.

23 11. The Stipulating Parties support entering into evidence, without requiring any
24 Stipulating Party to lay a foundation for its admission, this Stipulation, the joint written
25 testimony of Staff and the Company in support of the Stipulation (Exhibit Stipulating
26

1 Parties/100), and additional supporting exhibits (Exhibits Stipulating Parties/101, Stipulating
2 Parties/102, and Stipulating Parties/103).

3 12. The Stipulating Parties understand that this Stipulation addresses only Avion
4 Water's request for a general rate increase in this instance, is not binding on the Commission in
5 deciding Avion Water's application for a general rate increase, and does not foreclose the
6 Commission from addressing any other issues or foreclose a Stipulating Party from raising issues
7 in a different proceeding.

8 13. The Stipulating Parties have negotiated this Stipulation as an integrated
9 document. Accordingly, if the Commission rejects all or any material portion of this Stipulation,
10 or adds any material condition to any final order that is not consistent with this Stipulation, each
11 Stipulating Party reserves the right, upon written notice to the Commission and all parties to this
12 proceeding within 15 days of the date of the Commission's final order, to withdraw from the
13 Stipulation and to present additional evidence and argument on the record. However, prior to
14 withdrawal, any Stipulating Party that wishes to withdraw must engage in good faith negotiation
15 with the other Stipulating Parties. No Stipulating Party withdrawing from this Stipulation shall
16 be bound to any position, commitment, or condition of this Stipulation. Nothing in this
17 paragraph provides any Stipulating Party the right to withdraw from this Stipulation as a result of
18 the Commission's resolution of issues that this Stipulation does not resolve.

19 14. The Stipulating Parties agree to support Commission approval of the Stipulation,
20 throughout this proceeding and any subsequent appeal, and to provide witnesses to sponsor
21 testimony. If any other party to this proceeding challenges this Stipulation or if any other
22 interested person objects to this Stipulation in comments, the Stipulating Parties agree to
23 cooperate in responding to bench requests, preparing supplemental testimony, and participating
24 in cross-examination and to put on such a case as they deem appropriate to respond fully to the
25 issues presented, which may include addressing issues incorporated in the settlements embodied
26 in this Stipulation.

1 15. This Stipulation may be executed in any number of counterparts, each of which will be
2 an original for all purposes, but all of which taken together will constitute one and the same agreement.

3 DATED: November 9, 2022 /s/ Natascha Smith
4 Natascha Smith, OSB # 174661
5 Assistant Attorney General
6 Of Attorneys for Staff of the Public Utility
7 Commission of Oregon

8 DATED: November 9, 2022 /s/ Eric W. Nelsen
9 Eric W. Nelsen, OSB #192566
10 Senior Regulatory Attorney, NW Natural
11 representing Avion Water Company, Inc.

| | |
|--------------|---------------------|
| Company Name | Avion Water Company |
| Docket No. | UW 193 |
| Test Year | 2021 |

| |
|---------------------------|
| Company Proposed Increase |
| 17.99% |

| |
|-------------------------|
| Staff Proposed Increase |
| 13.24% |

Revenue Requirement

| | REVENUES | Test Year | Company Adjustments | Company Proposed Totals | Staff Adjustments to Company Totals | Staff Proposed Totals |
|-------|--------------------------------|---------------------|---------------------|-------------------------|-------------------------------------|-----------------------|
| 460 | Unmetered | | | \$ - | | \$ - |
| 461.1 | Residential/Commercial | 8,843,716 | 1,607,224 | \$ 10,450,940 | (519,052) | \$ 9,931,888 |
| 461.3 | Large Interruptible Irrigation | | | \$ - | 48,092 | \$ 48,092 |
| 462.1 | Fire Protection Sales | 49,643 | 27,128 | \$ 76,771 | (29,280) | \$ 47,491 |
| 462.2 | Hydrant Maintenance | | | \$ - | 22,434 | \$ 22,434 |
| 465.1 | Irrigation Water Sales | 194,493 | 42,804 | \$ 237,297 | (37,266) | \$ 200,031 |
| 465.2 | Nottingham Irrigation Sales | | 42,804 | \$ 42,804 | 49,051 | \$ 91,855 |
| 466 | Water Sales for Resale | 60,762 | 27,612 | \$ 88,374 | (5,444) | \$ 82,930 |
| 471 | Miscellaneous Services | 217,967 | 37,916 | \$ 255,883 | | \$ 255,883 |
| 475 | Cross Connection Control | 246,660 | - | \$ 246,660 | | \$ 246,660 |
| | Other | 318,221 | 1,166 | \$ 319,387 | | \$ 319,387 |
| | Total Revenue | \$ 9,931,462 | \$ 1,786,654 | \$ 11,718,116 | \$ (471,465) | \$ 11,246,651 |

Acct . **OPERATING EXPENSES**

| | | | | | | |
|-------|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 601 | Salaries and Wages - Employees | 1,975,553 | 637,384 | \$ 2,612,937 | \$ (55,338) | \$ 2,557,599 |
| 603 | Salaries and Wages - Officers | 520,893 | (75,740) | \$ 445,153 | \$ 20,454 | \$ 465,607 |
| 604 | Employee Pension & Benefits | 838,528 | 95,004 | \$ 933,532 | \$ (39,776) | \$ 893,756 |
| 610 | Purchased Water | 317,029 | - | \$ 317,029 | \$ (15,722) | \$ 301,307 |
| 611 | Telephone/Communications | 98,644 | 4,439 | \$ 103,083 | \$ - | \$ 103,083 |
| 615 | Purchased Power | 1,048,190 | 111,039 | \$ 1,159,229 | \$ - | \$ 1,159,229 |
| 616 | Fuel for Power Production | - | - | \$ - | \$ - | \$ - |
| 617 | Other Utilities | 11,512 | 1,801 | \$ 13,313 | \$ - | \$ 13,313 |
| 618 | Chemical / Treatment Expense | 1,441 | 65 | \$ 1,506 | \$ - | \$ 1,506 |
| 619 | Office Supplies | 6,957 | 313 | \$ 7,270 | \$ - | \$ 7,270 |
| 619.1 | Postage | 3,567 | 123 | \$ 3,690 | \$ - | \$ 3,690 |
| 620 | O&M Materials/Supplies | 179,880 | 379,130 | \$ 559,010 | \$ (211,868) | \$ 347,142 |
| 621 | Repairs to Water Plant | 99,306 | 5,390 | \$ 104,696 | \$ - | \$ 104,696 |
| 631 | Contract Svcs - Engineering | - | - | \$ - | \$ - | \$ - |
| 632 | Contract Svcs - Accounting | 19,271 | 867 | \$ 20,138 | \$ - | \$ 20,138 |
| 633 | Contract Svcs - Legal | 32,324 | 1,455 | \$ 33,779 | \$ (487) | \$ 33,292 |
| 634 | Contract Svcs - Management Fees | - | - | \$ - | \$ - | \$ - |
| 635 | Contract Svcs - Testing | 43,489 | 4,349 | \$ 47,838 | \$ - | \$ 47,838 |
| 636 | Contract Svcs - Labor | - | - | \$ - | \$ - | \$ - |
| 637 | Contract Svcs - Billing/Collection | 101,494 | 4,652 | \$ 106,146 | \$ - | \$ 106,146 |
| 638 | Contract Svcs - Meter Reading | 156,215 | 3,874 | \$ 160,089 | \$ - | \$ 160,089 |
| 639 | Contract Svcs - Other | 96,220 | 6,250 | \$ 102,470 | \$ - | \$ 102,470 |
| 641 | Rental of Building/Real Property | 29,862 | 1,573 | \$ 31,435 | \$ - | \$ 31,435 |
| 642 | Rental of Equipment | 46,815 | 2,107 | \$ 48,922 | \$ - | \$ 48,922 |
| 643 | Small Tools | 11,327 | 510 | \$ 11,837 | \$ - | \$ 11,837 |
| 648 | Computer/Electronic Expenses | 69,705 | 3,137 | \$ 72,842 | \$ - | \$ 72,842 |
| 650 | Transportation | 423,684 | 9,128 | \$ 432,812 | \$ - | \$ 432,812 |
| 656 | Vehicle Insurance | 25,613 | 1,153 | \$ 26,766 | \$ - | \$ 26,766 |
| 657 | General Liability Insurance | 52,663 | 2,370 | \$ 55,033 | \$ - | \$ 55,033 |
| 658 | Workers' Comp Insurance | 27,494 | 6,587 | \$ 34,081 | \$ - | \$ 34,081 |
| 659 | Insurance - Other | 13,852 | 623 | \$ 14,475 | \$ - | \$ 14,475 |
| 666 | Amortz. of Rate Case | - | - | \$ - | \$ 162 | \$ 162 |
| 667 | Gross Revenue Fee (PUC) | 43,127 | 8,545 | \$ 51,672 | \$ (3,311) | \$ 48,361 |
| 670 | Bad Debt Expense | 9,671 | 6,000 | \$ 15,671 | \$ - | \$ 15,671 |
| 671 | Cross Connection Control Program | 1,010 | 45 | \$ 1,055 | \$ - | \$ 1,055 |
| 673 | Training and Certification | 38,309 | 1,724 | \$ 40,033 | \$ - | \$ 40,033 |
| 674 | Consumer Confidence Report | 1,440 | 65 | \$ 1,505 | \$ - | \$ 1,505 |
| 675 | Miscellaneous Expense | 306,226 | (179,418) | \$ 126,808 | \$ - | \$ 126,808 |
| OE1 | Account 668 - Conservation Expense | 4,950 | | \$ 4,950 | \$ - | \$ 4,950 |
| OE2 | Other Expense 2 | | | \$ - | \$ - | \$ - |
| OE3 | Other Expense 3 | | | \$ - | \$ - | \$ - |
| OE4 | Other Expense 4 | | | \$ - | \$ - | \$ - |
| OE5 | Other Expense 5 | | | \$ - | \$ - | \$ - |
| | TOTAL OPERATING EXPENSE | \$ 6,656,261 | \$ 1,044,544 | \$ 7,700,805 | \$ (305,886) | \$ 7,394,919 |

OTHER REVENUE DEDUCTIONS

| | | | | | | |
|--------|---------------------------------------|---------------------|---------------------|----------------------|---------------------|---------------------|
| 403 | Depreciation Expense | 777,788 | 130,348 | \$ 908,136 | \$ (99,070) | \$ 809,066 |
| 406 | Amort of Plant Acquisition Adjustment | | | \$ - | \$ - | \$ - |
| 407 | Amortization Expense | | | \$ - | \$ - | \$ - |
| 408.11 | Property Tax | 392,719 | 48,231 | \$ 440,950 | \$ - | \$ 440,950 |
| 408.12 | Payroll Tax | 203,281 | 45,616 | \$ 248,897 | \$ - | \$ 248,897 |
| 408.13 | Other | 357,669 | | \$ 357,669 | \$ 50,842 | \$ 408,511 |
| 409.10 | Federal Income Tax | 164,404 | 197,339 | \$ 361,743 | \$ (61,832) | \$ 299,911 |
| 409.11 | Oregon Income Tax | 55,602 | 75,260 | \$ 130,862 | \$ (24,218) | \$ 106,644 |
| 409.13 | Extraordinary Items Income Tax | | | \$ - | \$ - | \$ - |
| | TOTAL REVENUE DEDUCTIONS | \$ 8,607,724 | \$ 1,541,338 | \$ 10,149,062 | \$ (440,165) | \$ 9,708,897 |
| | Net Operating Income | \$ 1,323,738 | \$ 245,316 | \$ 1,569,054 | \$ (31,300) | \$ 1,537,754 |

UTILITY RATE BASE

| | | | | | | |
|-----|--|----------------------|---------------------|----------------------|-----------------------|----------------------|
| 101 | Utility Plant in Service | 67,574,771 | 3,767,465 | \$ 71,342,236 | \$ (495,278) | \$ 70,846,958 |
| 105 | Construction Work in Progress | | | \$ - | \$ - | \$ - |
| 108 | - Accumulated Depreciation of Plant | 22,261,960 | 112,376 | \$ 22,374,336 | \$ 1,725,091 | \$ 24,099,427 |
| 271 | - Contributions in Aid of Construction | 32,844,381 | (1) | \$ 32,844,380 | \$ (0) | \$ 32,844,380 |
| 272 | + Accumulated Amortization of CIAC | 9,400,910 | 108,884 | \$ 9,509,794 | \$ 0 | \$ 9,509,794 |
| 281 | - Accumulated Deferred Income Tax | 3,303,813 | (1,961,288) | \$ 1,342,525 | \$ - | \$ 1,342,525 |
| | - Excess Capacity | | | \$ - | \$ - | \$ - |
| | = NET RATE BASE INVESTMENT | \$ 18,565,527 | \$ 5,725,262 | \$ 24,290,789 | \$ (2,220,368) | \$ 22,070,421 |
| | Plus: (working capital) | | | | | |
| 151 | Materials and Supplies Inventory | 339,984 | 100,000 | \$ 439,984 | \$ - | \$ 439,984 |
| | Working Cash (Total Op Exp /12) | 554,688 | 87,045 | \$ 641,733 | \$ (25,490) | \$ 616,243 |
| | TOTAL RATE BASE | \$ 19,460,199 | \$ 5,912,307 | \$ 25,372,506 | \$ (2,245,859) | \$ 23,126,648 |
| | Rate of Return | 6.80% | | 6.18% | | 6.65% |

PUC Oregon No.8
AVION WATER COMPANY, INC.

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

NAMING RATES FOR

Avion Water Company, Inc.

(name of utility)

60813 Parrell Road

(address)

Bend, Oregon 97702

(city, state, & zip code)

541-382-5342 (telephone)

541-382-5390 (fax)

(telephone numbers and type)

Serving water in the vicinity of

Parts of Deschutes & Crook Counties, Oregon

| | | | |
|------------|---------------------------|-----------------------------------|-----------------|
| Issue Date | December 1, 2022 | Effective for Service on or after | January 1, 2023 |
| Issued By | AVION WATER COMPANY, INC. | | |

PUC Oregon No.8
 AVION WATER COMPANY, INC.

Original Sheet No. 2

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| | | | |
|------------|---------------------------|-----------------------------------|-----------------|
| Issue Date | December 1, 2022 | Effective for Service on or after | January 1, 2023 |
| Issued By | AVION WATER COMPANY, INC. | | |

PUC Oregon No.8
AVION WATER COMPANY, INC.

Original Sheet No. 3

SCHEDULE NO. 1

RESIDENTIAL AND COMMERCIAL METERED RATES

AVAILABLE: To customers of the Company in the areas of Crook and Deschutes Counties.

APPLICABLE: To all customers (excluding irrigation service and fire service).

BASE RATE

| Service Meter Size | Monthly Base Rate | Usage Allowance |
|--------------------|-------------------|-----------------|
| 5/8 inch | \$28.52 | None |
| 3/4 inch | \$42.77 | None |
| 1 inch | \$71.29 | None |
| 1 ½ inches | \$142.58 | None |
| 2 inches | \$228.12 | None |
| 3 inches | \$427.73 | None |
| 4 inches | \$712.88 | None |
| 6 inches | \$1,425.77 | None |
| 8 inches | \$2,281.23 | None |

COMMODITY RATE

| Commodity Rate | Per | Number Of Units | Unit Of Measure | Base Usage Allowance | Unit Of Measure |
|----------------|-----|-----------------|-----------------|----------------------|-----------------|
| \$1.01 | Per | 100 | Cubic Feet | None | Cubic Feet |

SPECIAL PROVISIONS:

- Water used during the construction of buildings, etc., shall be metered, whenever practical. Charges shall be made at the rates specified in this schedule. When setting of a meter is impractical, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.
- City of Bend residents will be charged a monthly City franchise fee based off of a monthly total of all accounts recognized by the Oregon P.U.C. to set Avion's rates.
- 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.

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SCHEDULE NO. 2

IRRIGATION DELIVERY RATES

AVAILABLE: To all irrigation customers of the Utility in Deschutes County whose irrigation water source is Arnold, Swalley, or Central Oregon Irrigation Districts.

APPLICABLE: To those irrigation customers who have water rights adjudicated to the land for which the Utility has facilities to deliver the water under pressure to the customer’s land.

BILLING PERIOD: Monthly rates for irrigation service are charged throughout the year. The same customer disconnection and reconnecting irrigation service within the same twelve month period will be billed for continuous service at the time of reconnection.

IRRIGATION BASE AND VARIABLE RATES

| | |
|---|---|
| Water Delivery Charge Base Rate per Month | \$12.87 per customer premise |
| Water Delivery Charge Variable Rate per Month | \$8.24 per acre feet of water right adjudicated to the customer’s premise |
| Irrigation Water Assessment | “At Cost” |

| | | | |
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ORDER NO. 22-463

Original Sheet No. 5

PUC Oregon No.8
AVION WATER COMPANY, INC.**SCHEDULE NO. 3****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 (Rules No. 8 & 9)

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

Meter Test (Rules No. 19 & 20)

| | |
|---|------|
| First test within 12-month period | N/C |
| Second (and subsequent) test within 12-month period | \$50 |

Pressure Test (Rule No. 40)

| | |
|------------------------------------|------|
| First test within 12-month period | N/C |
| Second test within 12-month period | \$35 |

Late-Payment Charge (Rule No. 21)

Charged on amounts more than 30 days past due Pursuant to OAR 860-036-1400

Deposit for Service (Rule No. 5)

Pursuant to OAR 860-036-1220

Returned-Check Charge/

Non-Sufficient Funds Charge (Rule No. 22) \$25 each occurrence

Trouble-Call Charge (Rule No. 36)

| | |
|--|---------------------------------------|
| During normal office hours | \$35 per hour (1 hour minimum charge) |
| After normal office hours on special request | \$50 per hour (1 hour minimum charge) |

Disconnection/Reconnection Charge (Rules No. 27, 28 & 29)

| | |
|--|----------------------|
| During normal office hours | \$35 per occurrence |
| After normal office hours on special request | \$100 per occurrence |

Unauthorized Restoration of Service (Rule No. 31)

Reconnection charge plus costs

Damage/Tampering Charge (Rule No. 26 & 29)

Repair/restoration cost + \$200

Field Visit Charge (Rule No. 30)

\$35

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AVION WATER COMPANY, INC.

Original Sheet No. 6

SCHEDULE NO. 3 (Continued)
MISCELLANEOUS SERVICE CHARGES

General Field Service Rates

| | |
|--------------------------|-----------------------------|
| Customer Hourly Rate | \$50.00/hour plus materials |
| Non-customer Hourly Rate | \$70.00/hour plus materials |

Equipment Field Service Rates

| | |
|--|----------------------|
| Vac Trailer, Mini-Excavator, Skid Steer, Backhoe | \$80.00/hour/machine |
| Rented equipment | At cost |

Credit Card Chargeback Transaction Fee

\$12.00 Chargeback transaction fee

(A Chargeback Transaction Fee applies only when a customer disputes a transaction but Visa/MasterCard finds it was an authorized transaction.)

Special Note: Avion’s Visa/MasterCard transaction fees will vary according to the rates charged by Visa/MasterCard. Avion is required to provide 30 days written notice to the Oregon PUC of any changes in these charges prior to their taking effect.

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SCHEDULE NO. 4

FIRE SERVICE RATES

AVAILABLE: To fire service customers of the Utility in the areas of Deschutes and Crook Counties, Oregon.

APPLICABLE: To fire service customers with privately-owned and maintained fire service lines connected to the Utility mains.

FIRE SERVICE BASE RATE PER MONTH

| Fire Service Lines By Size | Rate |
|-----------------------------------|-------------|
| 4 inch and smaller supply | \$38.42 |
| 6 inch supply | \$84.53 |
| 8 inch supply | \$146.01 |
| 10 inch supply | \$230.54 |
| 12 inch supply | \$330.44 |

FIRE HYDRANT MAINTENANCE RATES

AVAILABLE: To fire service customers of the Utility in the areas of Deschutes and Crook Counties, Oregon.

APPLICABLE: To premises with fire hydrants located on premises.

BASE CHARGE PER MONTH: Per hydrant per month: \$21.49.

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SCHEDULE NO. 5

**RATES FOR COMMERCIAL WATER
HAULERS**

AVAILABLE: To commercial water haulers in Deschutes and Crook Counties where the Utility’s facilities and excess capacity exist. Determination of adequacy of facilities and capacity is in the sole discretion of Avion Water Company, Inc. Each commercial water truck must be inspected by Avion and be equipped with a suitable hydrant meter, suitable backflow prevention devices (or air gap), chapman valve, and a fire hydrant wrench.

APPLICABLE: To all commercial water haulers.

COMMERCIAL WATER HAULERS MONTHLY RATE

| |
|---------------------------|
| \$1.47 per 100 cubic feet |
|---------------------------|

SPECIAL PROVISIONS:

1. Truck meters must be presented at Avion’s office between the 15th and the 20th of each month. Bills for service are due in accordance with the tariff. Failure to present meter in accordance with this provision will be considered grounds for termination of service under Rule 19 of this Tariff.
2. Commercial water haulers detected not using meters or proper equipment may be denied service for one month for the first offense, and denied service completely for a second offense.
3. Commercial water haulers shall fill only from designated hydrants at designated times that have been determined by Avion to have excess capacity. Failure to comply with this requirement will be considered grounds for termination of service.
4. Continued use of Avion facilities following termination of service shall be considered theft of services under OAR 860-036-1590.

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PUC Oregon No.8
 AVION WATER COMPANY, INC.

Original Sheet No. 9

SCHEDULE NO. 6

EQUAL PAYMENT PLAN

AVAILABLE: To residential customers of Avion Water Company, Inc.

APPLICABLE: To residential customers of Avion Water Company, Inc.

EQUAL PAYMENT PLAN:

At the option of the customer, residential service billings may be rendered in equal monthly amounts provided the customer has satisfactory credit or account balances not exceeding the calculated equal monthly billing. At the Utility’s option, the plan may be offered to commercial customers.

The Equal Payment Plan (EPP) shall consist of 12 equal monthly billings, based on an average actual cubic feet usage for the most recent 12 months billed at the current rates. Customers must have 12 months account history at the address to qualify for EPP. When rate schedules change, the EPP will be re-computed based on the new approved rates.

EPP accounts shall be reviewed after the first twelve months of billing and at least annually thereafter. During the annual review month, the actual accounts receivable balance (debit or credit) shall be incorporated into the estimate for the next 12 months on the EPP unless the customer requests that the account balance be settled at that time.

The EPP may be reviewed and amended by the Utility as needed in response to changing prices or variations in the customer’s water usage.

Enrollment in the EPP may occur at any time. Customers may cancel their EPP by notifying the Utility and paying the total account balance. The Utility reserves the right to cancel a customer’s EPP if they are delinquent on payment of the equal monthly billing.

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PUC Oregon No.8
 AVION WATER COMPANY, INC.

Original Sheet No. 10

SCHEDULE NO. 7

RESIDENTIAL UNIT EQUIVALENTS BY
 METER SIZE

AVAILABLE: To customers of the Utility in the areas of Crook and Deschutes Counties.

APPLICABLE: To developers of projects using the Utility’s water service that are not using Schedule 12 or 15.

RESIDENTIAL UNIT EQUIVALENTS BY SERVICE METER SIZE

| Service Meter Size | AWWA Multiplier | Fee |
|---------------------------|------------------------|------------|
| 5/8" x 3/4" inch | 1 | \$3,300 |
| 3/4 inch | 1.5 | \$4,950 |
| 1 inch | 2.5 | \$8,250 |
| 1 1/2 inch | 5 | \$16,500 |
| 2 inch | 8 | \$26,400 |
| 3-inch | 15 | \$49,500 |
| 4 inch | 25 | \$82,500 |
| 6 inch | 50 | \$165,000 |
| 8 inch | 80 | \$264,000 |
| 4 inch or smaller fire | 2 | \$6,600 |
| 6 inch or larger fire | 4 | \$13,200 |

SPECIAL PROVISIONS:

1. Multiple family projects are charged based upon meter size required.
2. Condominium projects or similar projects are charged based upon meter size per unit.
3. Multipliers are provided by the American Water Works Association (AWWA).

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Original Sheet No. 11

SCHEDULE NO. 8

RESERVED FOR FUTURE USE

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PUC Oregon No.8
AVION WATER COMPANY, INC.

SCHEDULE NO. 9

COMMODITY POWER COST ADJUSTMENT

Schedule No. 9 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 identify any other requirements.

APPLICABLE: The commodity power cost adjustment applies to the following schedules contained in the Utility's tariffs: Schedules 1, 2, 4, and 5.

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 Schedule 1 and 2, 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 obligated to file for decreases in power costs.

DESCRIPTION OF POWER COST ADJUSTMENT CALCULATION FOR DOMESTIC WATER

Current power rate per 100 cf of water, multiplied by the power provider's percentage increase, multiplied by the power provider's allocation, equals the power cost adjustment per 100 cf. For example, PacifiCorp provides 56.22 percent of the Utility's electric power for domestic water. A 30 percent increase by PacifiCorp would result in the following power cost adjustment:

| Current Power Rate | Percentage Increase | Allocation |
|---------------------------|----------------------------|-------------------|
| \$0.2422 | 30% | 0.5622 |

$$\$0.2422 \times 0.30 \times 0.5622 = \$0.041 \text{ increase per 100 cf.}$$

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DESCRIPTION OF POWER COST ADJUSTMENT CALCULATION FOR IRRIGATION WATER

Current power rate per acre feet of water, multiplied by the percentage increase in power costs, multiplied by the power provider’s allocation, equals the power cost adjustment per acre foot of water. For example, PacificCorp provides 68.21 percent of Avion’s electric power for irrigation water. A 30 percent increase by PacifiCorp would result in the following:

| Current Power Rate | Percentage Increase | Allocation |
|---------------------------|----------------------------|-------------------|
| \$41.694 | 30% | 0.682 |

$\$41.694 \times 0.30 \times 0.682 = \8.521 increase per acre foot of water

Similar calculation would be needed for each power supplier that changed its rates. The effect of these calculations would be a rolling forward current cost increase or decrease. Likewise, current power costs should be recalculated, providing a new basis for power cost at each future rate case to account for any changes in the distribution of power use among suppliers (a change in allocation). The Allocation index must be recalculated at two year intervals from the effective date of this schedule.

OTHER REQUIREMENTS

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

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PUC Oregon No.8
AVION WATER COMPANY, INC.

SCHEDULE NO. 10

CROSS CONNECTION CONTROL PROGRAM (PROGRAM) BACKFLOW PREVENTION DEVICE SERVICES AND FEES

PURPOSE: Avion Water Company offers its customers backflow prevention device/double check valve assembly (DCVA) testing, maintenance, and repair services (the Program).

AVAILABLE: To customers of Avion Water Company, Inc. (Avion), in Deschutes and Crook Counties, Oregon.

APPLICABLE: To residential and commercial/industrial premises with 1” or smaller DCVAs installed at the meter.

ENROLLMENT: Avion WILL ENROLL all customers with DCVAs installed at the meter in this Program UNLESS the customer signs an “OPT OUT” NOTICE and returns such notice to Avion.

PROGRAM DESCRIPTION

1. **TESTING SERVICE** – Avion will provide the required DCVA annual test by a state certified tester pursuant to Oregon Administrative Rules 333-061-0070 through OAR 333-061-0072.
2. **MAINTENANCE AND REPAIR SERVICE** – Avion will provide maintenance and repairs on customer-owned DCVAs installed at the meter. Maintenance does not include the start up, blow out, or other freeze protection of assemblies on irrigation systems. Replacement of DCVA is the responsibility of the customers and is not covered by Avion’s DCVA maintenance and repair services.

PROGRAM RATES

1. **ALL CUSTOMERS ENROLLED IN PROGRAM**
Monthly rate (itemized separately on customer water bill): \$2.76
2. **ALL CUSTOMERS WHO OPT OUT, BUT CHOOSE AVION AS A DEFAULT SERVICE SUPPLIER ON THEIR OPT OUT NOTICE**
At the time of annual testing, Avion will bill customers: \$45.00

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PUC Oregon No.8
AVION WATER COMPANY, INC.

SCHEDULE NO. 10 (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 Avion with annual DCVA test results by the customer’s annual deadline will be disconnected from water service pursuant to OAR 860-036-1500 (DISCONNECTION PROCEDURES FOR ALL CUSTOMERS OF WATER UTILITY SERVICES) or OAR 860-036-1630 (EMERGENCY DISCONNECTION).

SPECIAL PROVISIONS:

1. The customer is under no obligation to use Avion’s DCVA services.
2. The customer can choose any qualified company or individual to test, maintain, and repair his/her DCVA.
3. Avion will provide each customer with notification of the Program services being offered. The notification shall include a written Program refusal (OPT OUT NOTICE).
4. Customers who choose to OPT OUT of the Program must sign the written OPT OUT NOTICE and return it to the Company.
5. Customers who choose to OPT OUT of the Program are responsible for the annual testing, maintenance, repair, and replacement of their DCVAs.
6. Avion will notify each customer who OPTS OUT of the Program 30 days prior to the annual test results due date. Annual test results must be provided to Avion on or before the customers’ annual deadlines.
7. Avion reserves the right to propose before the Public Utility Commission of Oregon any change in the amount charged for the Program services.
8. Customers will be given the choice of accepting or rejecting a new agreement in advance of any rate increase.

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PUC Oregon No.8
AVION WATER COMPANY, INC.

Original Sheet No. 16

SCHEDULE NO. 11

DESCHUTES RIVER RESTORATION PROGRAM VOLUNTARY RESIDENTIAL AND COMMERCIAL METERED RATES

AVAILABLE: To customers of the Company in the areas of Crook and Deschutes Counties who elect to participate in "Deschutes River Restoration" Program.

APPLICABLE: To all customers of Avion.

BASE RATES:

Rate Schedule

| Participation Level | Monthly Mitigation Charge |
|--------------------------------|--------------------------------------|
| A | \$1.60 |
| B | \$3.20 |
| C | \$4.80 |
| D | \$6.40 |

SPECIAL CONDITIONS:

1. Rates for participation level are added to customer's base rate in Schedule 1.
2. Customers may elect to discontinue the voluntary program at any time and not receive any charges.
3. The total amount collected each month will be passed on directly to the Deschutes River Conservancy with the express purpose of purchasing water rights to dedicate in-stream to the Deschutes River.
4. The amount received will be transferred to the Deschutes River Conservancy on the 15th of each month.
5. The registration form will be included with billing statements once every two years and will be available at the office.

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PUC Oregon No.8
AVION WATER COMPANY, INC.

SCHEDULE NO. 12

WOODRIVER VILLAGE TARIFF – SYSTEM IMPACT FEE

PURPOSE: To reimburse those developers who contributed to certain line improvements that also benefit future developers in Woodriver Village.

AVAILABLE: To customers of the Utility at Deschutes and Crook Counties, Oregon, and vicinity.

APPLICABLE: To developers of projects in Woodriver Village, Bend, Oregon using the Company’s water service.

The mainline contemplated by the previous version of this tariff was fully funded by developers and was put in service in December 2018. In order to provide equitable reimbursement as per the original agreement, the following line share agreement is in effect:

Refunds – Ten Year Line Share Agreement:

The system impact fee will be charged at the standard SDC rate as provided by Schedule 7. From the collected funds, \$458.64 will be evenly distributed among the original participants as required in the original PUC approved version of this tariff. The remaining funds will be CIAC.

Refunds will only occur for the ten year period following completion or until 120 units are developed from the original date of implementation of this Schedule 12. The ten year period will be complete January 1, 2029 and this tariff will no longer be in effect.

SPECIAL CONDITIONS:

1. All Woodriver Village funds will be maintained in a separate account.
2. Avion will provide annual construction / construction funds update to Commission Staff by February 1 of each year for the ten-year line share agreement duration.

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PUC Oregon No.8
AVION WATER COMPANY, INC.

SCHEDULE NO. 13

NOTTINGHAM IRRIGATION CUSTOMERS

AVAILABLE: To all bulk irrigation customers in Nottingham subdivision, Bend, Oregon

APPLICABLE: To those irrigation customers who do not have water rights adjudicated to their land yet, still receive bulk irrigation service.

BILLING PERIOD: Monthly rates for irrigation service are charged throughout the year.

FLAT RATE

| Bulk Water | Monthly Base Rate | Usage Allowance |
|--|--------------------------|------------------------|
| Nottingham Square Residential | \$42.53 | N/A |
| Nottingham Square HOA (17 Residential Equivalents) | \$722.93 | N/A |

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AVION WATER COMPANY, INC.

SCHEDULE NO. 14

INTERRUPTABLE LARGE IRRIGATION CUSTOMERS

AVAILABLE: To all irrigation customers using domestic water with 4- or 6-inch meters, Bend, Oregon

APPLICABLE: To those irrigation customers who irrigate with 4- or 6-inch meters and agree to be the first accounts interrupted in the event of Avion exceeding their water rights maximum.

BILLING PERIOD: Monthly rates for irrigation service are charged throughout the year.

BASE RATE

| Service Meter Size | Monthly Base Rate | Usage Allowance |
|--------------------|-----------------------|-----------------|
| 4 inches | As per Schedule No. 1 | None |
| 6 inches | As per Schedule No. 1 | None |

COMMODITY USAGE RATE

| Commodity Rate | Per | No. of Units | Unit of Measure | Base Usage Allowance | Unit of Measure |
|----------------|-----|--------------|-----------------|----------------------|-----------------|
| \$.65 | Per | 100 | Cubic Feet | None | Cubic Feet |

SPECIAL PROVISIONS:

1. Avion will provide 30 days notice prior to each curtailment event, unless circumstances don't allow notice.
2. Non-compliance will result in removal of meter at customers expense.
3. Damages – Avion is not liable for damages etc. due to interruption of service pursuant to this schedule.

| | | | |
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ORDER NO. 22-463

Original Sheet No. 20

PUC Oregon No.8
AVION WATER COMPANY, INC.**SCHEDULE NO. 15****West Pilot Butte Airport Tariff – System Impact Fee**

Purpose: To provide funding to upgrade the main service lines in the applicable area to accommodate development without causing undue financial burden upon any one developer.

Available: To customers of the Utility at Deschutes and Crook Counties, Oregon, and vicinity. Not available to customers served by 1-1/2" or smaller mainlines.

Applicable: To developers of Accessory Dwelling Unit (ADU), duplex, and two-parcel partition projects in Bend, Oregon using the Company's water service, in the Utility's service territory, located north and west of the Pilot Butte Airport and south of Bear Creek Road, in Township 18 South, Range 12 East, Section 3.

Cost Estimate of installing main service line:

Phase 1 (12" line across airstrip) = \$90,000
 Phase 2 (8" line up Craven and Myrtlewood) = \$88,000
 Phase 3 (8" line continuing up Craven) = \$76,000
 Phase 4 (8" line up Waco) = \$34,000
 Total = \$288,000

Estimated number of new connections in the applicable area is 30 (20% of 150).

West Pilot Butte Airport System Impact Fee - Schedule A:**RESIDENTIAL UNIT EQUIVALENTS BY SERVICE METER SIZE**

| SERVICE | FEE |
|---------------------------------------|------------|
| Standard Meter Connection – 5/8"x3/4" | \$9,600 |

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As a result, the 5/8"x3/4" inch system impact fee will equal = \$9,600 per service (\$288,000 / 30 connections). This amount is subject to refunds pursuant to Oregon Administrative Rule 860-036-1310 and Avion Rules 10 and 11 as contained in Avion's tariffs. The system impact fees collected for this area will be deposited into a separate account. The impact fees are also subject to Schedule 8 of the Avion Tariff, and fees collected under Schedule 8 will be subject to the associated conditions and refundable as described in Schedule 8.

When the target amount of \$90,000 for Phase 1 is reached, the project will be re-estimated and providing the cost is within the budget limits of collections, the Phase 1 line will be installed. When the target amount of \$88,000 is collected for Phase 2, the project will be re-estimated and providing the cost is within the budget limits of collections, the Phase 2 line will be installed. This process will be repeated for Phases 3 and 4. If the pattern of development dictates a change in the implementation order for phases 2-4, such change shall be made to maximize the improvement in service provided by the available funds. If the cost of installation is above the collected amount, additional system impact fees will be collected at the rates listed in the above West Pilot Butte Airport System Impact Fee - Schedule A until the new target is reached. This procedure will be repeated until the project is able to be completed.

SDC charges under Schedule 7 of the Avion tariff will be waived for developers contributing under this Schedule 15 tariff, including those contributing under the follow-on line share agreement below.

In the event that development: 1) for an area outside the applicable area; or 2) for a project that is not eligible for this tariff; requires completion of one of the phases as an offsite improvement:

1. That phase will be removed from consideration under this tariff.
2. The next phase will commence as previously outlined.
3. The amount collected from each developer will not change; the refund period will simply start sooner.

Refunds - Ten year Line share Agreement:

For a period of ten years following the completion of the final phase as outlined above a line share agreement shall be in effect for subsequent developers. Developers will be charged a fee, and the proceeds will be refunded to those who already paid the fee. The amount paid during the line share period will be calculated according to the following formula:

$$Fee_n = \frac{Total\ Project\ Cost}{n}$$

$$Refund = \frac{Fee_n}{n - 1}$$

Where n is the new total number of contributors to the project.

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The intention is that at the termination of the line share period, all developers will have contributed an equal amount. Refunds will be distributed annually. Developers shall maintain a current mailing address with Avion Water Company. Refunds due to those developers without an updated mailing address will be turned over the state unclaimed property division.

Special Conditions:

1. All West Pilot Butte Airport funds will be maintained in a separate account.
2. Avion will provide annual construction / construction funds update to Commission Staff by February 1 of each year for the ten-year line share agreement duration.

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AVION WATER COMPANY, INC.

Original Sheet No. 23

SCHEDULE NO. 16

RESERVED FOR FUTURE USE

| | | | |
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SCHEDULE NO. 17

PRESSURIZED IRRIGATION SUPPLEMENTATION TEST TARIFF

Schedule No. 17 exists to support a short-term test program in which Avion works cooperatively with irrigation districts to provide water to surface irrigation customers who would be curtailed due to drought.

PURPOSE: To provide a means of outdoor watering for surface irrigation customers that manages demand to avoid negatively impacting the Greater Avion system.

APPLICABLE: To customers on Schedule 2 in selected pressurized surface water irrigation systems at high risk for loss of water due to drought where Avion has adequate off-peak domestic capacity and infrastructure proximity to conduct the test.

Several subdivisions within the Greater Avion system have dual pipe systems. These systems use one set of pipes to deliver domestic drinking water and another set of pipes to deliver pressurized surface irrigation water for outdoor watering purposes. The diameter of the domestic mainlines in these dual pipe systems was based upon the assumption that surface water deliveries would be available, and these systems are therefore unable to provide adequate pressure if the domestic system were forced to make up for a lack of surface water. Due to a number of factors including extreme drought, surface water deliveries have been substantially reduced over the past several years. This trend is expected to continue for the foreseeable future. In order to maintain the current level of domestic service, Avion is conducting test events in which selected surface water systems are charged with domestic water during low demand times of day. If these tests are successful and the reduction in surface water continues, a new permanent tariff will be filed for the systems being converted to replace surface water with domestic water.

RATES: Customers will be billed at the same rate they pay under Schedule 2 of this tariff.

DELIVERY: Delivery will be made at the flow rate to which the customer is entitled based upon their water right. Water is expected to be delivered approximately between the hours of 8:00 pm and 5:00 am. Time(s) of delivery will be adjusted as needed to minimize impacts to other customers.

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ORDER NO. 22-463

Original Sheet No. 25

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RESERVED FOR FUTURE USE

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Original Sheet No. 26

RESERVED FOR FUTURE USE

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Original Sheet No. 27

RESERVED FOR FUTURE USE

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ORDER NO. 22-463

Original Sheet No. 28

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ORDER NO. 22-463

Original Sheet No. 30

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Original Sheet No. 32

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Original Sheet No. 33

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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: AVION WATER COMPANY, 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.

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

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- 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 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.

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](#))

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 must inform any residential applicant or customer who is required to pay a deposit of the opportunity to provide a written surety agreement in lieu of paying the deposit. A surety agreement obligates another qualifying residential customer of the same utility to pay an amount up to the required deposit if the secured account is later disconnected and a balance remains owing following the due date for the closing charges. To qualify as a surety, the other residential customer must have had 12 months of continuous service with the Utility without a late payment. ([OAR 860-036-1230](#))

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

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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. The Utility owns, operates, maintains, and replaces the service connection when necessary and promptly repairs 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.

Rule 9: Service Connection Charge ([OAR 860-036-1300\(3\)](#))

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

Rule 10: Main Line Extension Policy ([OAR 860-036-1310](#))

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

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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.

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.

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, if served through one service line, shall be considered to be equivalent to the number of dwelling units 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.

METERS

Rule 18: Utility Meters ([OAR 860-036-1350](#))

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 or within the landscape buffer. 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

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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.

Customers whose meters are blocked by barriers including vehicles, fences, rocks, bushes, trees, or other objects will be notified by mail. Failure to remove the barrier after the Utility provides reasonable written notice to the customer is grounds for disconnection of service (OAR 860-036-1500). In general, 24" is considered sufficient clearance from obstacles to allow meter access.

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

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

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

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

A customer may request that the Utility test the service meter once every 12 months at no cost. Such test shall be made within seven calendar days of the receipt of the request unless the customer fails to provide the Utility reasonable access to the meter. 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. Within seven calendar days of performing the requested meter test, report shall be provided to the customer stating:

- A. The name of the customer requesting the test and the service address where the meter was tested;
- B. The date the meter test was requested and the date the meter test was performed;
- C. The name of the person performing the test;
- D. The meter identification number and location;
- E. The beginning and ending meter readings; and
- F. The actual test results and conclusion.

If a customer requests a meter test more often than once in 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 Miscellaneous Service Charges Schedule. If the meter registers outside the two percent performance standard, the Utility may not charge the customer for the meter test.

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BILLING

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

All bills, including closing bills, are due and payable at the Utility office within at least 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 (**check one**) monthly, bimonthly, or quarterly on the corresponding day of each meter reading or billing period. The bill will be rendered immediately thereafter. The Utility will provide its customers with timely billings every month or as indicated in its tariffs or statement of rates.

When there is good reason for doing so, bills may be rendered based upon estimated meter reads. Estimates are expected to be used during winter months of December and January. Any estimated reads shall be clearly designated as such. Estimated reads shall be as follows:

Winter (November through March) residential usage will be estimated at 700 cubic feet per month.

Winter (November through March) commercial usage will be estimated from the previous actual meter reading or 700 cubic feet, whichever method provides the most consistent billing for the commercial customer. The Customer may request either method.

Summer (April through October) will be estimated based on the average of the previous three months usage or the same month’s usage for the prior year (if available). The Utility may decrease estimated billings based upon changes in plant pumping rates so that customers will, insofar as practical, not be overbilled.

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 computation of the bill.

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

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

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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.

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

When an overbilling occurs, the Utility will refund or credit amounts incorrectly collected. No refund or credit will be issued for incorrect billings which occurred more than three years before the incorrect billing was discovered.

When an underbilling occurs, the Utility will issue a bill to collect amounts owing for the 12-month period ending on the date on which the water 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 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.

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. The Utility will not transfer a balance owing on a non-residential account to a residential account.

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Rule 26: Damages/Tampering

Should damage result to any of the Utility's property from molesting or willful neglect by the customer, the Utility will repair or replace such equipment and will bill the customer as per Schedule 3. (OAR 860-036-1590).

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.

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](#). 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 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](#);

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- 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 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 include:

- A. 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. 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 include:

- A. 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. 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.

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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. 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 disconnected.

Disconnection of Water Service to Tenants:

- A. If a water utility's records show that a residential billing address is different from the service address, the water utility must mail a duplicate notice to the service address, unless the utility has verified that the service address is occupied by the customer.
- B. If a water utility's records show that the service location is a master-metered, multi-dwelling service address, the water utility must 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 water utility must 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 customer may mutually agree to an alternate payment arrangement.

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 Utility permits a time-payment agreement charge to become delinquent. The Utility will give the customer a 7- day written notice before the water service may be disconnected.

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

When service was disconnected pursuant to ([OAR 860-036-1500](#)), the Utility may charge 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, the Utility is unable to complete the reconnection or disconnection at the time of the visit. The field visit charge is listed in Schedule 3.

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

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After the water has been disconnected or shut off at the curb stop or at the meter, if any person not authorized by the Utility should turn it on, the water service line may be disconnected 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 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:

- 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.

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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 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.

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.

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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 service charges set forth in Schedule 3 of the tariff. 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.

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)

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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.

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