ORDER NO. 26-457

ENTERED Nov 19 2026

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UW 211

In the Matter of AVION WATER COMPANY, INC., Request for a General Rate Revision.	ORDER

DISPOSITION: STIPULATION ADOPTED

I. INTRODUCTION

In this order, we adopt an uncontested stipulation between Avion Water Company, Inc. (Avion Water) and Staff of the Public Utility Commission of Oregon (collectively, stipulating parties) resolving all issues related to the application for a general rate revision filed by the company. A copy of the stipulation is attached to this order as Appendix A. The company's initial request was for a 10.28 percent increase in revenue to $15,137,583. As a result of this stipulation, Avion Water's total revenue requirement will increase to $14,872,952, beginning January 1, 2027. Avion Water customers served by a 5/8" line with a monthly usage of 1,688 cubic feet will see an increase of $1.65, or three percent.

II. BACKGROUND AND PROCEDURAL HISTORY

Avion Water is a rate and service-regulated water utility located in Bend, Oregon. Avion Water serves approximately 15,378 residential customers, 373 commercial and industrial customers, and 852 irrigation customers.[1] The company maintains 1,712 fire hydrants.[2] Avion Water's last rate case, docket UW 200, was filed in June of 2024, with rates effective February 1, 2025.[3]

On April 10, 2026, Avion Water filed an application for a general rate revision. In the application, the company explained that the proposed increase in rates was needed due to increases in operating costs such as wages, materials and supplies, employee benefits, and property taxes.[4] The company requested to increase total annual revenues to $15,137,583, coupled with a proposed rate of return (ROR) of 7.09 percent on a rate base

[1] Application at 11 (Apr. 10, 2026).
[2] *Id.* at 19.
[3] *In the Matter of Avion Water Company, Inc. Request for a General Rate Revision*, Docket No. UW 200, Order No. 25-009 (Jan. 16, 2025).
[4] Application at 4.

of $29,434,284.[5] The company used a test year of January 1, 2025, to December 31, 2025.

We suspended Avion Water's tariff sheets to conduct a comprehensive examination of the company's rate request.[6] Administrative Law Judge Brent Coleman held a public comment hearing on July 7, 2026, at which members of the public provided comment. The parties engaged in discovery and conducted settlement discussions. On October 29, 2026, the stipulating parties submitted an uncontested stipulation and joint testimony and exhibits supporting the stipulation.

III. STANDARD OF REVIEW

Under OAR 860-001-0350, the Commission may adopt, reject, or propose to modify a stipulation. If the Commission proposes to modify a stipulation, the Commission must explain the decision and provide the parties sufficient opportunity on the record to present evidence and argument to support the stipulation. We review settlements to determine whether, on a holistic basis, they serve the public interest and result in just and reasonable rates.

IV. THE STIPULATION

The stipulation presents a comprehensive settlement of all issues. The stipulating parties request that we approve the stipulation in its entirety. The stipulating parties agree to a total annual revenue requirement for Avion Water of $14,872,952. The stipulation provides for a 7.09 percent ROR on a total rate base of $29,416,446.[7] The stipulated ROR is based on a capital structure of 50 percent debt and 50 percent equity, a cost of debt of 4.68 percent, and a cost of equity of 9.5 percent.[8]

The stipulation includes several adjustments to rate base, operating expenses and revenues as described in the stipulation and joint testimony, and as shown in Attachment A of the stipulation. Rate base adjustments include a $4.7 million adjustment to reflect removal of fully depreciated assets, resulting in a total plant in service of $96,841,217. Operating expense adjustments include a downward adjustment of $173,990 from employee pension and benefits. Other revenue adjustments include a decrease of $24,178 to reflect alignment with invoices. The stipulating parties agree to create an automatic adjustment clause (AAC) tied to changes in the property tax expenses, which have increased rapidly between rate cases. The AAC will be subject to periodic review.[9] This will be reflected in the company's revised tariff pages as Schedule 16, shown in Attachment B of the stipulation.

[5] *Id.*
[6] Order No. 26-114 (Apr. 13, 2026).
[7] Stipulating Parties/100, Beitzel-Jackson/4.
[8] *Id.*
[9] Stipulating Parties/100, Beitzel-Jackson/12.

IV. RESOLUTION

We reviewed the stipulation, its attachments, and the supporting testimony and exhibits. We find that the terms of the stipulation are supported by sufficient evidence, appropriately resolve the issues in this case, and will result in fair, just and reasonable rates. We determine the terms of the stipulation represent a reasonable resolution of the identified issues and contribute to an overall settlement in the public interest. We adopt the stipulation in its entirety.

V. ORDER

IT IS ORDERED that:

1. Advice No. 26-01, filed on April 10, 2026, 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., is directed to file new tariffs consistent with the terms of the stipulation to be effective January 1, 2027.

Made, entered, and effective Nov 19 2026.

Letha Tawney
Chair

Les Perkins
Commissioner

Karin Power
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 211

In the Matter of AVION WATER COMPANY, INC. Request for a General Rate Revision.	STIPULATION

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

I. INTRODUCTION

On April 10, 2026, Avion Water filed a request for a General Rate Revision, with proposed rates to become effective on May 10, 2026. The Company requested to increase its revenues from $13,725,900 to $15,137,583, or an additional $1,411,683 (10.28 percent). By Order No. 26-114, entered April 13, 2026, Chief Administrative Law Judge ("ALJ") Lackey suspended the effective date for a period of time of up to ten months from the proposed effective date, or March 10, 2027.

Staff reviewed the Company's filing and responses to data requests and the Stipulating Parties held a settlement conference on August 11, 2026, to discuss and address the issues in this case. As a result of those discussions, the Stipulating Parties have reached agreement on all issues as set forth in this Stipulation. The Stipulating Parties respectfully request that the Commission issue an order adopting this Stipulation.

II. TERMS OF THE STIPULATION

1. Revenue Requirement. The Stipulating Parties agree to recommend and support a total revenue requirement of $14,872,952, as shown in Attachment A to this Stipulation, to be collected in rates as set forth in Attachment B to this Stipulation. This revenue requirement includes an agreed-upon 7.09 percent rate of return (based upon a capital structure of 50 percent debt and 50 percent equity, a cost of debt of 4.68 percent and a return on equity of 9.50 percent) on a total rate base of $29,416,446, and represents an increase of $1,147,052, or 8.36 percent, over 2025 test period revenues. The stipulated revenue requirement and adjustments are included for review as Attachment A to this Stipulation.

2. Rate Effective Date. The Stipulating Parties agree to and support rates becoming effective on January 1, 2027. The Stipulating Parties agree that rates will become effective for services rendered on or after date the Commission issues an order adopting this Stipulation, or as otherwise determined by the Commission.

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

a. Utility Plant in Service (Account 101). The Stipulating Parties agree that utility plant in service includes all rate base additions from the Company's last rate case through the Company's filing of this rate case and all rate base additions that have been completed during this rate case to date. The Stipulating Parties also agree that the Company's additions to rate base are prudent. The Stipulating Parties also agree to an adjustment of ($4,706,220) to reflect removal of fully depreciated assets. The Stipulating Parties agree that these actions result in a total plant in service of $96,841,217.

b. Construction Work in Progress (Account 105). An adjustment of ($8,614).

c. Accumulated Depreciation (Account 108). An adjustment of ($4,699,680).

d. Contributions in Aid of Construction ("CIAC") (Account 271). An adjustment of ($1,785,848).

e. Accumulated Amortization of CIAC (Account 272). An adjustment of ($1,785,848).

f. Working Capital. An adjustment of ($19,912) to reflect 1/12 of the amount of operating expenses agreed upon by the Stipulating Parties.

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

a. Employee Pension & Benefits (Account 604). An adjustment of ($173,990).

b. Telephone/Communications (Account 611). An adjustment of ($7,811) associated with expenses transferred to Account 639.

c. Purchased Power (Account 615). An adjustment of ($64,800) representing expenses transferred to Account OE2.

d. Contract Services – Other (Account 639). A total adjustment of ($56,783) reflecting inclusion of expenses transferred from Account 611 and adjustments of test year amounts for inflation.

e. General Liability Insurance (Account 657). An adjustment of $587..

f. Gross Revenue Fee (PUC) (Account 667). An adjustment of ($952) to reflect the revenues generated by this Stipulation.

g. Miscellaneous Expense (Account 675). A total adjustment of $182,237 reflecting amounts transferred from Account OE 1 and amounts transferred to Account 675.

h. Other Expense 1 (OE1). A total adjustment of ($182,237) reflecting amounts transferred to Miscellaneous Expense.

i. Other Expense 2 (OE2). A total adjustment of $64,800 reflecting amounts transferred from Account 615.

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

a. Depreciation Expense (Account 403). An adjustment of ($1,186), reflecting agreed upon changes to the invested plant schedule.

b. Payroll Tax (Account 408.12). An adjustment of ($21) correcting a calculation error.

c. Other (Account 408.13). An adjustment of ($24,178) reflecting alignment with invoices.

d. Federal Income Tax (Account 409.10). An adjustment of ($226).

e. Oregon Income Tax (Account 409.11). An adjustment of ($88) correcting a calculation error.

6. Revisions to Tariff.

Creation of Automatic Adjustment Clause (AAC). The Stipulating Parties agreed to create an AAC tied to changes in the Property Tax Expense (Account 408.11) as reflected in the new tariff as Schedule 16.

Adjusted rates are reflected in Attachment B to this Stipulation. Subject to the approval of this Stipulation, Avion Water will file revised tariff pages as a compliance filing in Docket No. UW 211, to be effective in accordance with Paragraph 2 of this Stipulation, reflecting the rates and terms and conditions as agreed to in this Stipulation. The Company will make that compliance filing within three business days after the Commission order in this proceeding.

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

8. The Stipulating Parties have negotiated this Stipulation in good faith and recommend that the Commission adopt the Stipulation in its entirety as an appropriate and reasonable resolution to the issues described therein.

9. The Stipulating Parties agree that the Stipulation represents a compromise in the positions of the Stipulating Parties. By entering into this Stipulation, no Stipulating Party shall

be deemed to have approved, accepted, or consented to the facts, principles, methods, or theories employed by any other Stipulating Party in arriving at the terms of this Stipulation.

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

11. The Stipulating Parties support entering into evidence, without requiring any Stipulating Party to lay a foundation for its admission, this Stipulation and its attachments, the joint written testimony of Staff and the Company in support of the Stipulation (Exhibit Stipulating Parties/100), and additional supporting exhibits: Exhibits Staff 101 (Witness Qualification Statement), Stipulating Parties/102 (Summary Tables), Stipulating Parties/103 (Staff's Summary of Public Comments).

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

13. The Stipulating Parties have negotiated this Stipulation as an integrated document. Accordingly, if the Commission rejects all or any material portion of this Stipulation, or adds any material condition to any final order that is not consistent with this Stipulation, each Stipulating Party reserves the right, upon written notice to the Commission and all parties to this proceeding within 15 days of the date of the Commission's final order, to withdraw from the Stipulation and to present additional evidence and argument on the record. However, prior to withdrawal, any Stipulating Party that wishes to withdraw must engage in good faith negotiation

with the other Stipulating Parties. No Stipulating Party withdrawing from this Stipulation shall be bound to any position, commitment, or condition of this Stipulation. Nothing in this paragraph provides any Stipulating Party the right to withdraw from this Stipulation as a result of the Commission's resolution of issues that this Stipulation does not resolve.

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

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

16. This Stipulation may not be modified or amended except by written agreement of all Stipulating Parties.

This Stipulation is entered into by each Stipulating Party on the date entered next to such Stipulating Party's signature.

DATED: 10/29/2026

/s/ *Marli Klass*

Assistant Attorney General
Of Attorneys for Staff of the Public Utility Commission of Oregon

DATED: 10/29/2026

/s/ *Adam Jackson*

Adam M. Jackson, representing Avion Water Company, Inc.

	REVENUES	Test Year	Company Adjustments	Company Proposed Totals	Staff Adjustments to Company Totals	Stipulated Totals
460	Unmetered			$ -		$ -
461.1	Residential	9,888,160	1,308,553	$ 11,196,713	(253,564)	$ 10,943,149
461.2	Commercial	1,623,618	166,986	$ 1,790,604	(33,994)	$ 1,756,610
461.3	Large Interruptible Irrigation	98,327	10,113	$ 108,440	38,941	$ 147,381
462	Fire Protection Sales - Protection	76,261	13,843	$ 90,104	(1,711)	$ 88,393
	Fire Protection Sales - Hydrants	27,470	6,225	$ 33,695	(640)	$ 33,055
465	Irrigation Water Sales	586,764	28,348	$ 615,112	(11,678)	$ 603,434
	Irrigation - Nottingham	89,441	15,199	$ 104,640	(1,987)	$ 102,653
466	Water Sales for Resale	63	(63)	$ -		$ -
471	Miscellaneous Services	424,912	974	$ 425,886		$ 425,886
475	Cross Connection Control	262,712	32,019	$ 294,731		$ 294,731
472	Cell Tower Lease Payments			$ -		$ -
	Other	648,173	(170,514)	$ 477,659		$ 477,659
				$ -		$ -
	Total Revenue	**$ 13,725,900**	**$ 1,411,683**	**$ 15,137,583**	**$ (264,632)**	**$ 14,872,952**
Acct .	**OPERATING EXPENSES**					
601	Salaries and Wages - Employees	2,445,850	256,884	$ 2,702,734	$ -	$ 2,702,734
603	Salaries and Wages - Officers	449,289	43,728	$ 493,017	$ -	$ 493,017
604	Employee Pension & Benefits	1,286,008	326,070	$ 1,612,078	$ (173,990)	$ 1,438,088
610	Purchased Water	391,460		$ 391,460	$ -	$ 391,460
611	Telephone/Communications	128,574		$ 128,574	$ (7,811)	$ 120,763
615	Purchased Power	1,511,438		$ 1,511,438	$ (64,800)	$ 1,446,638
616	Fuel for Power Production	-		$ -	$ -	$ -
617	Other Utilities (Garbage, Gas)	24,373		$ 24,373	$ -	$ 24,373
618	Chemical / Treatment Expense	2,325		$ 2,325	$ -	$ 2,325
619	Office Supplies	7,126		$ 7,126	$ -	$ 7,126
619.1	Postage	4,770		$ 4,770	$ -	$ 4,770
620	O&M Materials/Supplies	166,854	6,519	$ 173,373	$ -	$ 173,373
621	Repairs to Water Plant	347,644		$ 347,644	$ -	$ 347,644
631	Contract Svcs - Engineering	-		$ -	$ -	$ -
632	Contract Svcs - Accounting	20,267		$ 20,267	$ -	$ 20,267
633	Contract Svcs - Legal	70,992		$ 70,992	$ -	$ 70,992
634	Contract Svcs - Management Fees	-		$ -	$ -	$ -
635	Contract Svcs - Testing	72,443		$ 72,443	$ -	$ 72,443
636	Contract Svcs - Labor	-		$ -	$ -	$ -
637	Contract Svcs - Billing/Collection	114,724		$ 114,724	$ -	$ 114,724
638	Contract Svcs - Meter Reading	160,605	(160,605)	$ -	$ -	$ -
639	Contract Svcs - Other	215,584		$ 215,584	$ (56,783)	$ 158,801
641	Rental of Building/Real Property	27,511		$ 27,511	$ -	$ 27,511
642	Rental of Equipment	80,786		$ 80,786	$ -	$ 80,786
643	Small Tools	8,237		$ 8,237	$ -	$ 8,237
648	Computer/Electronic Expenses	170,563		$ 170,563	$ -	$ 170,563
650	Transportation	642,096		$ 642,096	$ -	$ 642,096
656	Vehicle Insurance	37,058		$ 37,058	$ -	$ 37,058
657	General Liability Insurance	107,385		$ 107,385	$ 587	$ 107,972
658	Workers' Comp Insurance	24,609	1,804	$ 26,413	$ -	$ 26,413
659	Insurance - Other	34,727		$ 34,727	$ -	$ 34,727
666	Amortz. of Rate Case	-		$ -	$ -	$ -
667	Gross Revenue Fee (PUC)	55,395	(900)	$ 54,495	$ (952)	$ 53,543
670	Bad Debt Expense	7,874		$ 7,874	$ -	$ 7,874
671	Cross Connection Control Program	365,477		$ 365,477	$ -	$ 365,477
673	Training and Certification	49,218		$ 49,218	$ -	$ 49,218
674	Consumer Confidence Report			$ -	$ -	$ -
675	Miscellaneous Expense			$ -	$ 182,237	$ 182,237
OE1	Other Expense 1	182,237		$ 182,237	$ (182,237)	$ -
OE2	Other Expense 2			$ -	$ 64,800	$ 64,800
OE3	Other Expense 3			$ -	$ -	$ -
OE4	Other Expense 4			$ -	$ -	$ -
OE5	Other Expense 5			$ -	$ -	$ -
	TOTAL OPERATING EXPENSE	**$ 9,213,499**	**$ 473,500**	**$ 9,686,999**	**$ (238,949)**	**$ 9,448,050**

	REVENUES	Test Year	Company Adjustments	Company Proposed Totals	Staff Adjustments to Company Totals	Stipulated Totals
	OTHER REVENUE DEDUCTIONS					
403	Depreciation Expense	985,458	86,325	$ 1,071,783	$ (1,186)	$ 1,070,597
406	Amort of Plant Acquisition Adjustment	-		$ -	$ -	$ -
407	Amortization Expense	-		$ -	$ -	$ -
408.11	Property Tax	773,026	221,269	$ 994,295	$ -	$ 994,295
408.12	Payroll Tax	266,744	24,410	$ 291,154	$ (21)	$ 291,133
408.13	Other	434,084	66,094	$ 500,178	$ (24,178)	$ 476,000
409.10	Federal Income Tax	281,394	90,261	$ 371,655	$ (226)	$ 371,429
409.11	Oregon Income Tax	111,842	22,902	$ 134,744	$ (88)	$ 134,656
409.13	Extraordinary Items Income Tax	-		$ -	$ -	$ -
	TOTAL REVENUE DEDUCTIONS	**$ 12,066,047**	**$ 984,761**	**$ 13,050,808**	**$ (264,648)**	**$ 12,786,160**
	Net Operating Income	**$ 1,659,853**	**$ 426,922**	**$ 2,086,775**	**$ 17**	**$ 2,086,792**
	UTILITY RATE BASE					
101	Utility Plant in Service	100,313,359	1,234,078	$ 101,547,437	$ (4,706,220)	$ 96,841,217
105	Construction Work in Progress	129,736		$ 129,736	$ (8,614)	$ 121,122
108	- Accumulated Depreciation of Plant	29,035,656	2,356,389	$ 31,392,045	$ (4,699,680)	$ 26,692,365
271	- Contributions in Aid of Construction	56,480,512	(471,117)	$ 56,009,395	$ (1,785,848)	$ 54,223,547
272	+ Accumulated Amortization of CIAC	13,297,420	1,225,377	$ 14,522,797	$ (1,785,848)	$ 12,736,949
281	- Accumulated Deferred Income Tax	919,168		$ 919,168	$ -	$ 919,168
	- Excess Capacity	-		$ -	$ -	$ -
	= NET RATE BASE INVESTMENT	**$ 27,045,707**	**$ 574,183**	**$ 27,619,890**	**$ 2,075**	**$ 27,621,965**
	Plus: (working capital)					
151	Materials and Supplies Inventory	1,007,144		$ 1,007,144	$ -	$ 1,007,144
	Working Cash (Total Op Exp /12)	767,792	39,458	$ 807,250	$ (19,912)	$ 787,337
	TOTAL RATE BASE	**$ 28,820,643**	**$ 613,641**	**$ 29,434,284**	**$ (17,837)**	**$ 29,416,446**
	Rate of Return	5.76%		7.09%		7.09%

PUC Oregon No.10
AVION WATER COMPANY, INC.

Attachment B
Original Sheet No. 1

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	October 29, 2026	Effective for Service on or after	January 1, 2027
Issued By	AVION WATER COMPANY, INC.		

ADVICE NO. 26-01

PUC Oregon No.10
AVION WATER COMPANY, INC.

Attachment B
Original Sheet No. 2

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Issue Date	October 29, 2026	Effective for Service on or after	January 1, 2027
Issued By	AVION WATER COMPANY, INC.		

PUC Oregon No.10
AVION WATER COMPANY, INC.

Attachment B
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	$32.20	None
3/4 inch	$48.30	None
1 inch	$80.51	None
1 ½ inches	$161.03	None
2 inches	$257.65	None
3 inches	$483.11	None
4 inches	$805.19	None
6 inches	$1,610.39	None
8 inches	$2,576.63	None

COMMODITY RATE

Commodity Rate	Per	Number Of Units	Unit Of Measure	Base Usage Allowance	Unit Of Measure
$1.24	Per	100	Cubic Feet	None	Cubic Feet

SCHEDULE 9 COMMODITY POWER ADJUSTMENT RATE

Commodity Rate	Per	Number Of Units	Unit Of Measure	Base Usage Allowance	Unit Of Measure
$0.01	Per	100	Cubic Feet	None	Cubic Feet

SCHEDULE 16 PROPERTY TAX ADJUSTMENT RATE

Service Meter Size	Rate Per Service	Unit Of Measure
ALL	$0.01	Each

SPECIAL PROVISIONS:

1. 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.
2. 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.
3. 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.
4. Meter readings (other than those taken for starting or ending service) may be rounded to the nearest 100 cubic feet (Rule 21).

Issue Date	October 29, 2026	Effective for Service on or after	January 1, 2027
Issued By	AVION WATER COMPANY, INC.		

PUC Oregon No.10
AVION WATER COMPANY, INC.

Attachment B
Original Sheet No. 4

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	$14.68 per customer premise
Water Delivery Charge Variable Rate per Month	$8.92 per acre feet of water right adjudicated to the customer's premise
Irrigation Water Assessment	"At Cost"
Commodity Power Adjustment per Month	$0.01 per acre feet of water right adjudicated to the customer's premise

Issue Date	October 29, 2026	Effective for Service on or after	January 1, 2027
Issued By	AVION WATER COMPANY, INC.		

PUC Oregon No.10
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	$50
Late-Payment Charge (Rule No. 21)	Pursuant to OAR 860-036-1400
Charged on amounts more than 30 days past due	
Deposit for Service (Rule No. 5)	Pursuant to OAR 860-036-1220
Returned-Check Charge/ Non-Sufficient Funds Charge (Rule No. 22)	$45 each occurrence
Trouble-Call Charge (Rule No. 36)	
During normal office hours	$50 per hour (1 hour minimum)
After normal office hours on special request	$100 per hour (1 hour minimum)
Disconnection/Reconnection/Field Visit Charge (Rules No. 27, 28, 29, and 30)	
During normal office hours	$75 per occurrence
After normal office hours on special request	$125 per occurrence
Unauthorized Restoration of Service (Rule No. 31)	Reconnection charge plus costs
Damage/Tampering Charge (Rule No. 26 & 29)	Repair/restoration cost + $500
Theft of Service Charge (Rule No. 32)	Estimated Use and Base Rate + $500

Issue Date	October 29, 2026	Effective for Service on or after	January 1, 2027
Issued By	AVION WATER COMPANY, INC.		

SCHEDULE NO. 3 (Continued)

MISCELLANEOUS SERVICE CHARGES

Construction Water	
Permit / Delivery Charge	$290
Relocation Charge	$145
General Field Service Rates	
Customer Hourly Rate	$50/hour (1 hour minimum)
Non-customer Hourly Rate	$70/hour (1 hour minimum)
After normal office hours (on special request)	Hourly rate x 2
Materials	At cost
Equipment Field Service Rates	
Vac Trailer, Mini-Excavator, Skid Steer, Backhoe, etc.	$80/hour/machine
Rented equipment	At cost
Credit Card Chargeback Transaction Fee	$25 Chargeback transaction fee

(A Chargeback Transaction Fee applies only when a customer disputes a transaction but the processing company finds it was an authorized transaction.)

Special Note: Avion's card processing or electronic payment transaction fees will vary according to the rates charged by the processing company. Avion is required to provide 30 days written notice to the Oregon PUC of any changes in these charges prior to their taking effect.

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	$45.70
6 inch supply	$100.53
8 inch supply	$173.64
10 inch supply	$274.17
12 inch supply	$392.98

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: $24.82

PUC Oregon No.10
AVION WATER COMPANY, INC.

SCHEDULE NO. 5

COMMERCIAL WATER HAULERS

AVAILABLE: To commercial water haulers in good standing in Deschutes and Crook Counties where the Utility's facilities and excess capacity exist.

APPLICABLE: To commercial water haulers with an active Oregon Business registered with the Oregon Secretary of State for "water delivery" or "water hauling".

Base Rate, Commodity Rate, Commodity Power Rate, and Property Tax Adjustment Rate as per Schedule 1 Meter charges as per Schedule 3

SPECIAL PROVISIONS:

1. Each truck is assigned a specific meter. The meter may be used only with the assigned truck. The water hauler is financially responsible for replacing a lost or damaged meter.

2. Commercial water haulers must submit a water use tracking sheet to Avion's office between the 15th and the 20th of each month. Water use tracking sheets must meet the regulations of HB4061.

3. The assigned meter must be used every time the truck is connected to Avion's facilities. A photo clearly showing the meter read and meter number must be submitted to Avion's office between the 15th and the 20th of each month.

4. Trucks shall be equipped with a suitable hydrant meter, suitable backflow prevention device (or air gap), chapman valve, hose, and a fire hydrant wrench. Each commercial water truck and its meter must be inspected/tested annually by Avion. If the truck is equipped with a backflow prevention device, the device must be tested annually and the report submitted to Avion.

5. Commercial water haulers shall fill only from designated fill points at designated times that have been determined by Avion to have excess capacity. Determination of adequacy of facilities and capacity is in the sole discretion of Avion.

6. Failure to fully comply with the provisions of this tariff will result in denial of service as follows:

    - one month for the first offense
    - six months for the second offense
    - permanent denial of service for the third offense

7. Continued use of Avion facilities following termination of service shall be considered theft of services under OAR 860-036-1590.

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Issued By	AVION WATER COMPANY, INC.		

ADVICE NO. 26-01

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.

PUC Oregon No.10
AVION WATER COMPANY, INC.

SCHEDULE NO. 7

SYSTEM DEVELOPMENT CHARGE (SDC)

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 ¾"	1	$4,240
¾"	1.5	$6,360
1"	2.5	$10,600
1-1/2"	5	$21,200
2"	8	$33,920
3"	15	$63,600
4"	25	$106,000
6"	50	$212,000
8"	80	$339,200
4" or smaller fire	2	$8,480
6" or larger fire	4	$16,960

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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Issued By	AVION WATER COMPANY, INC.		

PUC Oregon No.10
AVION WATER COMPANY, INC.

SCHEDULE NO. 8

CONSTRUCTION WATER

AVAILABLE: To licensed construction contractors performing construction projects within Avion service territory where there is available capacity.

APPLICABLE: To construction contractors with an active Oregon Construction Contractors Board license.

CONSTRUCTION WATER RATE

Base Rate, Commodity Rate, Commodity Power Rate, and Property Tax Adjustment Rate as per Schedule 1 Meter charges as per Schedule 3

SPECIAL PROVISIONS:

1. A limited number of hydrant boxes will be made available to construction contractors by Avion Water for short term use. Projects of longer than 3 months in duration may be required to install a meter and backflow in an appropriately sized underground meter box.

2. Construction Contractors detected not using the hydrant meter box or failing to follow the provisions of this tariff will be denied service as follows:

    - one month for the first offense
    - six months for the second offense
    - permanent denial of service for the third offense

3. Hydrant boxes may be relocated only by Avion personnel.

4. The Contractor is financially responsible for any loss or damage to the box and its contents (including damage caused by vandalism or freezing temperatures).

5. Continued use of Avion facilities following termination of service shall be considered theft of services under OAR 860-036-1590.

Issue Date	October 29, 2026	Effective for Service on or after	January 1, 2027
Issued By	AVION WATER COMPANY, INC.		

PUC Oregon No.10
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, 5, 8, and 14.

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 X 0.30 X 0.5622 = $0.041 increase per 100 cf.

Issue Date	October 29, 2026	Effective for Service on or after	January 1, 2027
Issued By	AVION WATER COMPANY, INC.		

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 X0 .30 X 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.

PUC Oregon No.10
AVION WATER COMPANY, INC.

SCHEDULE NO. 10

CROSS CONNECTION PREVENTION PROGRAM SERVICES AND FEES

PURPOSE: Avion Water Company offers annual testing and maintenance of the double check valve assemblies (DCVA or device) used for premises isolation.

AVAILABLE: To properties served by Avion Water Company, Inc. (Avion), in Deschutes and Crook Counties, Oregon.

APPLICABLE: To residential dwellings with installed devices used for premises isolation.

ENROLLMENT: Avion WILL ENROLL eligible properties with devices installed for premises isolation 2" or smaller UNLESS the property owner/agent signs an OPT OUT agreement. Properties with devices installed for premises isolation larger than 2" are considered an OPT OUT property.

PROGRAM DESCRIPTION

1. TESTING SERVICE – Avion will provide the required *annual* DCVA test by a state certified tester pursuant to Oregon Administrative Rule (OAR) 333-061-0070

2. MAINTENANCE SERVICE – Avion will provide maintenance on non-Avion owned DCVAs installed for premises isolation 2" or smaller. Maintenance does not include the startup, blow out, or other freeze protection of assemblies on irrigation systems. Replacement of DCVA is the responsibility of the property owner/agent and is not included in the program's maintenance and repair service.

NON-COMPLIANCE OF OPT OUT SERVICES or SERVICES ELECTING TO OPT IN

1. If an Avion provided test results in a failed test, a 30-day failed test notice will be issued to the property owner/agent. The property owner/agent is responsible for hiring a state certified individual or company to complete the required maintenance, retesting of the device, and submitting the new test report to Avion.

2. If Avion is unable to complete the required annual test, the required maintenance is not completed, or report of passing retest is not received by Avion within 30 days of the failed test, water service will be disconnected pursuant to OAR 860-036-1500.

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Issued By	AVION WATER COMPANY, INC.		

SCHEDULE NO. 10 CONT.

PROGRAM RATES

SERVICES ENROLLED IN PROGRAM
Monthly rate (itemized on customer water bill): $3.14

ALL CUSTOMERS WHO OPT OUT, BUT CHOOSE AVION AS A DEFAULT SERVICE SUPPLIER ON THEIR OPT OUT NOTICE OR NON-COMPLIANT OPT OUT CUSTOMERS
At the time of annual test, Avion will bill customers: $60.00

SPECIAL PROVISIONS:

1. Specifics on the program are available on the Avion website or can be provided upon request.

2. Property owners/agents are under no obligation to use Avion's Cross Connection Program services.

3. Property owners/agents can choose to OPT OUT or OPT IN of the program at any time by returning the signed OPT OUT or OPT IN form.

4. Property owners/agents who choose to OPT OUT are responsible for the annual testing, maintenance, repair, and/or replacement of devices on the property. They may use any state certified company or individual of their choosing.

5. At a minimum, Avion will provide a 30-day advance notice that the annual testing is required by such date to those who selected to OPT OUT or have devices installed for premises isolation larger than 2".

6. Avion may propose changes in the amount charged for program services to the Oregon Public Utility Commission. Notifications will be issued as required.

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Issued By	AVION WATER COMPANY, INC.		

PUC Oregon No.10
AVION WATER COMPANY, INC.

SCHEDULE NO. 11

VOLUNTARY DESCHUTES RIVER RESTORATION (BLUE WATER) PROGRAM

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

APPLICABLE: To all customers of Avion.

Rate Schedule

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

SPECIAL CONDITIONS:

1. Rates for selected participation level are itemized on monthly statements.
2. Customers may elect to discontinue the voluntary program at any time and not receive future 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 periodically and will be available at the office or on the company website.

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Issued By	AVION WATER COMPANY, INC.		

PUC Oregon No.10
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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Issued By	AVION WATER COMPANY, INC.		

PUC Oregon No.10
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	$47.26	N/A
Nottingham Square HOA (17 Residential Equivalents)	$803.45	N/A

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Issued By	AVION WATER COMPANY, INC.		

PUC Oregon No.10
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
$0.76	Per	100	Cubic Feet	None	Cubic Feet

SCHEDULE 9 COMMODITY POWER ADJUSTMENT RATE

Commodity Rate	Per	No. of Units	Unit Of Measure	Base Usage Allowance	Unit Of Measure
$0.01	Per	100	Cubic Feet	None	Cubic Feet

SCHEDULE 16 PROPERTY TAX ADJUSTMENT RATE

Service Meter Size	Rate Per Service	Unit Of Measure
ALL	$0.01	Each

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 customer's expense.
3. Damages – Avion is not liable for damages etc. due to interruption of service pursuant to this schedule.

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Issued By	AVION WATER COMPANY, INC.		

ADVICE NO. 26-01

PUC Oregon No.10
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:

$$Fee_n = \frac{Total\ ProjectCost}{n}$$

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

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.

SCHEDULE NO. 16

PROPERTY TAX COST ADJUSTMENT

Schedule No. 16 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 property tax cost, to describe how a rate change for property tax cost is calculated, and identify any other requirements.

APPLICABLE: The property tax cost adjustment applies to the following schedules contained in the Utility's tariffs: Schedule 1, Schedule 14.

PROPERTY TAX 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 property tax costs resulting from tax costs imposed by the Utility's taxing authorities. Such adjustments may be shown in Schedules 1 and 14 or may be incorporated directly in the applicable rate schedules.

The Utility may file property tax cost adjustments periodically to be effective upon a date subsequent to the change in costs imposed upon the Utility. If the Utility chooses to file for property tax cost increases, it is obligated to file for decreases in property tax costs. Property tax cost adjustment increases shall be effective no earlier than 12 months following the effective date for the last increase under this tariff.

DESCRIPTION OF PROPERTY TAX COST ADJUSTMENT CALCULATION FOR DOMESTIC WATER

Current total property taxes imposed, less the total property tax amount allowed in the most recent general rate case filing, divided by the total number of permanent metered services, equals the property tax adjustment per service. For example: if the most recent rate case included $1,000,000 in property taxes as a ratable expense; and if the Utility now pays $1,200,000 in property taxes; and if the utility has 10,000 permanent metered services; the property tax cost adjustment calculation would be as follows:

$$\frac{(\$1{,}200{,}000 - \$1{,}000{,}000)}{10{,}000 * 12\ months} = \$1.67\ per\ affected\ service\ per\ month$$

In this example, $1.67 would be added to the base rate each month for all services that are billed under Schedule 1.

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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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SCHEDULE NO. 18

ARROWHEAD & SOMMERSET IRRIGATION REPLACEMENT TARIFF

As ongoing drought in Central Oregon continues to diminish surface water supplies, surface irrigation suppliers are forced to make changes to their traditional arrangements with patrons (including piping, elimination of wasteful canal sections, and exclusion of patrons that cannot be served efficiently and equitably in a drought environment). Schedule No. 18 exists to support a transfer of a small group of Arnold Irrigation District (AID) customers who cannot be served efficiently and equitably by AID away from surface irrigation.

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

APPLICABLE: To former AID customers in the Arrowhead and Sommerset subdivisions who were served by the Brandon lateral canal who have agreed to release their water from the AID certificate. A complete list is available at Avion's Office.

The applicable 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.

The intent of this tariff is to:

- Maintain current level of domestic service.
- Allow former AID customers to maintain their properties, including livestock watering, field irrigation, and landscape watering.
- Provide a fair and reasonable rate to the former AID patrons that that does not unfairly burden Avion domestic customers.

RATES: Customers will be billed monthly according to the same rate structure they would have been billed under Schedule 2 of this tariff. The irrigation assessment portion of the Schedule 2 charges will be billed at the same rate AID charges its surface irrigation customers for an equivalent amount of irrigated acreage. Avion will update these rates annually when AID releases their new rates.

CONTINUOUS SERVICE: As with Schedule 2, irrigation service under this tariff is based upon a continuous billing, even during the months when water is not available. Irrigation service under

this Schedule 18 may not be discontinued and then reconnected by the same party. If both domestic and irrigation service to a parcel has been terminated (due to a change in ownership, change in tenant, etc.) the irrigation service must be restored concurrently with the domestic service to maintain eligibility under this tariff.

DELIVERY: Delivery will be made at the flow rate to which the customer would have been provided by AID based upon their water right, with acres of irrigation converted to gallons per minute per the AID conversion of 5.5 gpm per acre. Time(s) of delivery will be adjusted by Avion as necessary to minimize impacts to domestic customers while delivering as much water as possible with existing facilities to the applicable customers of this tariff. Due to the requirement to maintain domestic water pressure, the delivery pressure of irrigation water supplied by this tariff is not set and is not subject to Rule 38. In any short-term event that negatively impacts Avion's ability to supply domestic water, delivery of irrigation water supplied under this tariff is expected to be terminated until normal domestic service is restored.

MEASUREMENT: The flow of irrigation water is controlled by use an orifice style flow control. The flow control is sized to deliver an appropriate rate of water that correlates to the customer's irrigation right. Tampering with the flow control is prohibited. Discovery of a damaged or altered flow control device will result in termination of the customers eligibility under this tariff and removal of Avion facilities providing irrigation water.

TERMINATION: If the property owner of an eligible property elects to discontinue service provided under this tariff, or the account is involuntarily disconnected for any reason (i.e. inadequate customer facilities, non-payment, tampering, etc.), that property will no longer be eligible for service under this tariff and the Avion facilities providing irrigation water will be removed. Eligibility will not be terminated where a tenant has been involuntarily disconnected and the owner of the parcel re-establishes service within 30 days.

SCHEDULE NO. 19

RESERVED FOR FUTURE USE

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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

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

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

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

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.

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 on a scheduled monthly basis. The Utility will provide its customers with timely billings every month or as indicated in its tariffs or statement of rates. Opening and closing reads shall be to the nearest cubic foot.

When there is good reason for doing so, bills may be rendered based upon estimated meter reads.

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, the dates the meter was read, rate schedule, billing period, and number of days in the billing period;
D. Routine meter reads, rounded to the nearest billing unit;
E. The date any late payment charge was applied and an explanation of the terms of the late payment charge; and
F. 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.

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.

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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.

Rule 26: Damages/Tampering

Should damage result to any of the Utility's property from molesting or willful neglect by any person or company (whether a customer or non-customer), the Utility will repair or replace such equipment and will bill the person or company 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;
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.

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. This requirement may be met by posting the notice on all exterior doors to a muti-dwelling if the exterior doors are continuously locked.
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)

Residential 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 Agreement, 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)

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.

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.

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

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

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

The Utility will maintain adequate water pressure. In general, water pressure measuring between 45 and

80 pounds per square inch in the water mains is considered adequate. However, adequate pressure may vary depending on each individual water system.

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

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

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

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

Upon customer request, the Utility will perform a water pressure test within seven calendar days of the request. The first pressure test in any 12- month period will be at no charge. If the customer requests an additional pressure test within any 12-month period at the same premises, the Utility will assess the customer a charge in accordance with the 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)

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.