

CASE: UW 184
WITNESSES: HEATHER COHEN (STAFF)
MICHAEL BOWMAN (SALMON VALLEY WATER COMPANY)

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STIPULATING PARTIES EXHIBIT 100

**Joint Testimony of the Stipulating Parties
In Support of the Stipulation**

**Stipulating Parties:
Public Utility Commission of Oregon Staff and
Salmon Valley Water Company**

MARCH 30, 2021

Q. Please state your names, occupations, and business addresses.

A. My name is Heather Cohen. I am a Senior Utility Analyst employed in the Energy Rates and Accounting Program of the Public Utility Commission of Oregon (OPUC or Commission). My business address is 201 High Street SE., Suite 100, Salem, Oregon 97301.

My name is Michael Bowman. I am General Manager of Salmon Valley Water Company (Salmon Valley or the Company). My business address is P.O. Box 205, Welches, OR 97067.

Q. Ms. Cohen, please describe your educational background and work experience.

A. My witness qualification statement is found in Exhibit Stipulating Parties/101.

Q. Mr. Bowman, please describe your educational background and work experience.

A. My witness qualification statement is found in Exhibit Stipulating Parties/101.

Q. What is the purpose of this Joint Testimony?

A. The purpose of our Joint Testimony is to introduce and support the Stipulation entered into by Salmon Valley and Commission Staff (Staff) in Docket No. UW 184, Salmon Valley's request for a general rate revision.

Q. Who are the parties in Docket No. UW 184?

A. The parties in Docket No. UW 184 are Salmon Valley and Staff (each a Party, and collectively the Parties or Stipulating Parties).

Q. Did the Parties reach a settlement in this docket?

A. Yes. The Stipulation entered into by Salmon Valley and Staff resolves all issues in this docket.

Q. Did you prepare any exhibits for this docket?

A. Yes. Ms. Cohen prepared Exhibit Stipulating Parties/101, consisting of one page, and both of us sponsor Exhibit Stipulating Parties/102, consisting of one page (Revenue Requirement), Exhibit Stipulating Parties/103, consisting of one page (Revenue Calculation and Rate Design), and Exhibit Stipulating Parties/104, consisting of 60 pages (Salmon Valley Tariff, redlined and clean versions).

Q. How is your Joint Testimony organized?

A. Following this section with background information, our Joint Testimony is organized in the same order as the paragraphs of the Stipulation and then explains the Stipulating Parties' support of the Stipulation, as follows:

Stipulation Paragraph 1 – Revenue Requirement.....	5
Stipulation Paragraph 2 – Rate Effective Date.....	6
Stipulation Paragraph 3 – Attestation.....	7
Stipulation Paragraph 4 – Next Rate Case	8
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Q. Please summarize the background and context of Docket No. UW 184.

1 A. On September 30, 2020, Salmon Valley initiated this proceeding, Docket No.
2 UW 184, by filing a request for a general rate increase, with proposed rates to
3 become effective on November 1, 2020 ("Initial Filing"). In its Initial Filing, the
4 Company requested an additional \$257,410 spread over two years: an
5 increase of \$104,413 in the first year (31.75%) and an increase of \$152,997 in
6 the second year (35.31%).

7 **Q. Please describe the additional process to date in this docket.**

8 A. With Order No. 20-325, the Commission suspended Salmon Valley's Initial
9 Filing for nine months from the proposed rate effective date to allow Staff time
10 to investigate the Company's proposal. Administrative Law Judge Allan Arlow
11 held a public comment hearing and a prehearing conference by telephone on
12 December 8, 2020. Staff propounded 69 discovery requests that have been
13 answered by the Company. Staff's investigation and analysis of Salmon
14 Valley's Initial Filing included a comprehensive examination of the Company's
15 revenues, expenses, revenue deductions, rate base, capital structure, and rate
16 spread and design.

17 The Stipulating Parties held settlement conferences via video conference on
18 January 6 and 18, 2021. As a result of those settlement discussions, the
19 Stipulating Parties reached a comprehensive settlement of all issues in this
20 case. The Stipulation memorializes the Stipulating Parties' agreements. In
21 light of the resolution of all issues, Staff, on January 22, 2021, filed a motion to
22 suspend the procedural schedule. Administrative Law Judge Arlow granted
23 that motion on January 25, 2021, directing the filing of a stipulation, supporting

1 testimony and affidavits or declarations, and a motion to admit and adopt the
2 stipulation, or alternatively, a joint status report, on or before April 30, 2021.

STIPULATION PARAGRAPH 1 – REVENUE REQUIREMENT

Q. Please summarize the Stipulating Parties' revenue requirement

recommendation in this case.

A. As a result of their settlement discussions and in the context of the overall settlement, the Stipulating Parties recommend and support a total revenue requirement of \$521,139, as shown in Attachment A to the Stipulation (Exhibit Stipulating Parties/102), to be collected in rates in two phases as set forth in Paragraph 2 of the Stipulation and in its Attachment B (Exhibit Stipulating Parties/103). This revenue requirement includes an agreed-upon 6.75 percent rate of return on a total rate base of \$1,177,548, and represents an increase of \$192,233, or 58.4%, over 2019 test period revenues. The stipulated revenue requirement and adjustments are included for review as Attachment A to the Stipulation (Exhibit Stipulating Parties/102). The Stipulating Parties believe that the stipulated revenue requirement and adjustments represent a reasonable financial settlement of the issues in this docket, and that, taken together, the adjustments result in an overall revenue requirement that will produce rates that are fair, just, and reasonable. As such, the Stipulating Parties agree that the Stipulation is in the public interest.

STIPULATION PARAGRAPH 2 – RATE EFFECTIVE DATE

Q. What is the rate effective date in the Stipulation?

A. As a result of their settlement discussions and in the context of the overall settlement, the Stipulating Parties agree to and support rates becoming effective in a two-phase approach: the first phase for service rendered on and after July 1, 2021 (“Phase 1”) and the second phase for service rendered on and after July 1, 2022 (“Phase 2”), subject to Paragraph 3 of the Stipulation that is addressed next in our Joint Testimony.

STIPULATION PARAGRAPH 3 – ATTESTATION

Q. What is the attestation and why is its filing important to the Stipulation?

A. As a result of its settlement discussions with Staff and in the context of the overall settlement, the Company agrees to file an attestation of a Company officer attesting to the date upon which the new Foxglove7 well has been placed in service. If the in-service date of the new Foxglove7 well is after June 24, 2021, then the Phase 1 rate effective date will be the first of the month occurring at least one week after the in-service date of the Foxglove7 well, and the Phase 2 rate effective date will be one year after the Phase 1 rate effective date. As an example, if the well were to be placed in service on July 28, 2021, Phase 1 rates would become effective on September 1, 2021, and Phase 2 rates would become effective September 1, 2022.

Q. Please explain why the agreement in the Stipulation regarding an attestation is reasonable.

A. During the course of settlement negotiations, the Stipulating Parties discussed the timing of the Foxglove7 well being placed into service. Submitting an attestation for this project is consistent with Commission precedent and provides certainty and transparency regarding this project.

1 **STIPULATION PARAGRAPH 4 – NEXT RATE CASE**

2 **Q. Does the Stipulation address the timing of the Company's next rate**
3 **case?**

4 A. Yes. As a result of its settlement discussions with Staff and in the context of
5 the overall settlement, the Company agrees that it will not file a rate case that
6 will result in rates effective earlier than two years from the rate effective date of
7 Phase 1 rates.

STIPULATION PARAGRAPH 5 – RATE BASE

Q. Do the Stipulating Parties agree to make certain adjustments to rate base in the Stipulation?

A. Yes. As a result of their settlement discussions and in the context of the overall settlement, the Stipulating Parties agree that the stipulated rates in this case reflect rate base adjustments to: Utility Plant in Service (Account 101), Accumulated Depreciation (Account 108), Accumulated Deferred Income Tax (Account 281) and Working Capital.

Q. What is the adjustment to Utility Plant in Service (Account 101)?

A. 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, as well as rate base additions that have been or will be completed and in-service as of July 1, 2021 (Foxglove⁷ Wellhead, Foxglove⁷ Connections, AMR¹ Meters and Hardware/Software, Well Conditioning, Professional Services - Foxglove 7 and SCADA² – Foxglove⁷). The Stipulating Parties agree that the Water Conservation and Management Plan and the Master Plan are not related to any specific asset at this time and, therefore, should be removed from plant in service and amortized over 20 years (see Stipulation, Paragraphs 6.f and 6.g). The Stipulating Parties agree that 10% of the salaries of the Company's two water system operators should be applied to

¹ AMR is an acronym for Automated Meter Reading, a technology used in utility meters for collecting the data that are needed for billing purposes.

² SCADA is an acronym for Supervisory Control And Data Acquisition, a computer system for gathering and analyzing real time data.

1 plant in service (see Stipulation, Paragraph 6.a). The Stipulating Parties agree
2 that these actions result in a total adjustment to plant in service of (\$84,907),
3 for a total plant in service of \$1,974,788.

4 **Q. What is the adjustment to Accumulated Depreciation (Account 108)?**

5 A. The Stipulating Parties agree to a total adjustment of (\$36,151), consisting of
6 (\$235) for the removal of the accumulated depreciation of the Water
7 Conservation and Management Plan and (\$35,917) to match plant schedules.

8 **Q. What is the adjustment to Accumulated Deferred Income Tax (Account**
9 **281)?**

10 A. The Stipulating Parties agree to an adjustment of \$21,866 to reflect including
11 the net operating loss deferred tax asset in the calculation of deferred income
12 tax to the extent of the accelerated tax depreciation deferred tax liability, which
13 results in a net zero deferred tax balance in the calculation of rate base.

14 **Q. What is the adjustment to Working Capital?**

15 A. The Stipulating Parties agree to an adjustment of (\$523) to reflect the amount
16 of operating expenses agreed upon by the Stipulating Parties.

STIPULATION PARAGRAPH 6 – OPERATING EXPENSE ADJUSTMENTS

Q. Do the Stipulating Parties agree to make certain adjustments to operating expense in the Stipulation?

A. Yes. As a result of their settlement discussions and in the context of the overall settlement, the Stipulating Parties agree that the stipulated rates in this case reflect operating expense adjustments to: Employee Salaries and Wages (Account 601), Chemical Treatment (Account 618), Postage (Account 619.1), Vehicle Insurance, General Liability Insurance, Workers' Compensation Insurance and Insurance – Other (Accounts 656-659), Gross Revenue Fee (PUC) (Account 667), Water Conservation and Management Plan (Adjustment OE3) and Master Plan (Adjustment OE4).

Q. What is the adjustment to Employee Salaries and Wages (Account 601)?

A. The Stipulating Parties agree to a total adjustment of (\$8,734), consisting of (\$12,014) to reflect moving 10% of the salaries of the Company's two water system operators into plant and \$3,280 to reflect the actual salary of the Company's new employee.

Q. What is the adjustment to Chemical Treatment (Account 618)?

A. The Stipulating Parties agree to an adjustment of (\$1,050) to reflect that the Company will not need to incur an additional cost for chemicals to treat the new Foxglove7 well.

1 **Q. What is the adjustment to Postage (Account 619.1)?**

2 A. The Stipulating Parties agree to an adjustment of (\$1,000) to reflect projected
3 savings due to online billing.

4 **Q. What is the adjustment to Vehicle Insurance, General Liability Insurance,**
5 **Workers' Compensation Insurance and Insurance – Other (Accounts 656-**
6 **659)?**

7 A. The Stipulating Parties agree to various adjustments totaling (\$113) to reflect
8 the Company's reconfigured insurance expenses.

9 **Q. What is the adjustment to Gross Revenue Fee (PUC) (Account 667)?**

10 A. The Stipulating Parties agree to an adjustment of (\$228) to reflect the revenues
11 generated by the Stipulation.

12 **Q. What is the adjustment to Water Conservation and Management Plan**
13 **(Adjustment OE3)?**

14 A. The Stipulating Parties agree to an adjustment of \$1,431 for amortizing this
15 cost over a 20-year period rather than reflecting it in Plant, Depreciation and
16 Property Taxes (see Stipulation, Paragraph 5).

17 **Q. What is the adjustment to Master Plan (Adjustment OE4)?**

18 A. The Stipulating Parties agree to an adjustment of \$3,415 for amortizing this
19 cost over a 20-year period rather than reflecting it in Plant, Depreciation and
20 Property Taxes (see Stipulation, Paragraph 5).

STIPULATION PARAGRAPH 7 – OTHER REVENUE DEDUCTIONS

Q. Do the Stipulating Parties agree to make certain adjustments to other revenue deductions in the Stipulation?

A. Yes. As a result of their settlement discussions and in the context of the overall settlement, the Stipulating Parties agree that the stipulated rates in this case reflect operating expense adjustments to: Depreciation Expense (Account 403) and Property Tax (Account 408.11).

Q. What is the adjustment to Depreciation Expense (Account 403)?

A. The Stipulating Parties agree to a total adjustment of (\$28,285), to reflect the Master Plan being removed from Plant, Depreciation and Property Taxes and amortized over a 20-year period (see Stipulation, Paragraphs 7 and 6.g), the life-span of Professional Services for Foxglove⁷ being changed from 10 years to 50 years, an additional \$1,427 being added to annualize the depreciation expense on the SCADA replacement placed in service in 2020, and summing half-year of the depreciation expense in 2020 and partial-year of the depreciation expense in 2021.

Q. What is the adjustment to Property Tax (Account 408.11)?

A. The Stipulating Parties agree to a total adjustment of (\$16,007), consisting of (\$1,964) to reflect removal of property tax associated with the Master Plan (see Stipulation, Paragraph 5) and (\$14,044) to reflect the actual property tax rate of 1.4% rather than the filed tax rate of 2.87%.

STIPULATION PARAGRAPH 8 – REVISIONS TO TARIFF

Q. Do the Stipulating Parties agree upon the disposition of the tariff revisions proposed by the Company in this rate case?

A. Yes. As a result of their settlement discussions and in the context of the overall settlement, the Stipulating Parties agree to recommend and support the tariff revisions proposed by the Company in this rate case, with the rates adjusted to reflect the Stipulation. Those tariff revisions and adjusted rates are reflected in Attachment C to the Stipulation, which is Exhibit Stipulating Parties/104. Subject to the approval of the Stipulation, Salmon Valley will file revised rate schedules as a compliance filing in Docket UW 184, to be effective in accordance with Paragraphs 2 and 3 of the Stipulation, reflecting the rates as agreed to in the Stipulation.

STIPULATING PARTIES' SUPPORT OF THE STIPULATION

Q. What is the basis for the Stipulation?

A. The Stipulation is a compromise based on the record in this case and the Company's responses to Staff's discovery requests. Over the course of the settlement discussions, the Stipulating Parties resolved all their differences regarding all of the issues raised in this proceeding, and ultimately resolved in the Stipulation, through dialogue, negotiations, and compromise, to reach a fair result.

Q. What is your recommendation to the Commission regarding the Stipulation?

A. The Stipulating Parties recommend and request that the Commission approve the Stipulation in its entirety.

Q. Please explain why the Stipulating Parties believe that the Commission should adopt the Stipulation.

A. The Stipulating Parties have carefully reviewed the Company's Initial Filing and responses to data requests, and have thoroughly analyzed the issues during multiple days of settlement conferences. The Stipulating Parties believe that the adjustments and agreements in the Stipulation provide a fair and reasonable resolution of the issues in this docket and the resulting rates are fair, just and reasonable.

Q. Does this conclude your Joint Testimony?

A. Yes.

CASE: UW 184
WITNESSES: HEATHER COHEN AND MICHAEL BOWMAN

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STIPULATING PARTIES EXHIBIT 101

Witness Qualifications Statement

MARCH 30, 2021

NAME: Heather Cohen

EMPLOYER: Public Utility Commission of Oregon

TITLE: Senior Utility Analyst
Energy Rates, Finance and Audit Division

ADDRESS: 201 High Street SE., Suite
100 Salem, OR. 97301

EDUCATION: Bachelor of Arts, Political Science

Fordham University, New York, NY

Master of Public Policy

American University, Washington, DC.

EXPERIENCE: I have been employed as a Senior Financial Analyst by the Oregon Public Utility Commission since January 2020 in the Energy, Rates and Finance Division. I currently perform a range of financial analysis duties related to natural gas, water and electric utilities, with a focus on operations and maintenance. I have worked on the following general rate dockets: UG 388, UG 389, UG 390, and UE 374.

I have ten years of professional level budget and fiscal analysis experience. I was previously employed as a Budget Analyst with the Oregon Department of Education (ODE), where I was the lead analyst for the Early Learning Division (ELD) which includes the federal \$97M Child Care Development Fund (CCDF) and \$37M Preschool Promise program. Prior to ODE, I was a Senior Financial Analyst for the state of Texas's Department of Family and Protective Services and Health and Human Services. Before that, I was a Project Manager for the University of Southern California where I directed data collection and analysis, staffing and deliverables for a \$1.2M federal grant related to the provision of mental health services in Los Angeles County. Prior to USC, I was a Senior Budget Analyst for the City of New York responsible for the \$1B expense budget of the Administration for Children's Services (ACS).

NAME: Michael Bowman

EMPLOYER: Salmon Valley Water Company

TITLE: General Manager

ADDRESS: P.O. Box 205, Welches, OR
97067

EDUCATION: Bachelor of Science, Business Administration and Economics

Lewis and Clark College, Portland, OR

EXPERIENCE: I started working for Salmon Valley in 1967. I became President and Chairman of the Board of Salmon Valley in 1999. NW Natural Water Company, LLC acquired Salmon Valley on November 1, 2018, at which time I became the General Manager of Salmon Valley.

Company Name - Salmon Valley
Docket No.
Test Year - 2019

Revenue Requirement	Company Proposed Increase	Staff Proposed Increase
	78.26%	58.45%

	REVENUES	Test Year	Company Adjustments	Company Proposed Totals	Staff Adjustments to Company Totals	Staff Proposed Totals
460	Unmetered			\$ -		\$ -
461.1	Residential	257,948	257,410	\$ 515,358	(65,177)	\$ 450,181
461.2	Commercial	68,564		\$ 68,564		\$ 68,564
462	Fire Protection Sales			\$ -		\$ -
465	Irrigation Water Sales			\$ -		\$ -
466	Water Sales for Resale			\$ -		\$ -
471	Miscellaneous Services	662		\$ 662		\$ 662
	Cross Connection Control			\$ -		\$ -
Other	Other	1,732		\$ 1,732		\$ 1,732
				\$ -		\$ -
	Total Revenue	\$ 328,906	\$ 257,410	\$ 586,316	\$ (65,177)	\$ 521,139
Acct .	OPERATING EXPENSES					
601	Salaries and Wages - Employees	145,973	54,299	\$ 200,272	\$ (8,734)	\$ 191,538
603	Salaries and Wages - Officers			\$ -	\$ -	\$ -
604	Employee Pension & Benefits	29,333	(1,888)	\$ 27,445	\$ -	\$ 27,445
610	Purchased Water			\$ -	\$ -	\$ -
611	Telephone/Communications	11,859	(6,241)	\$ 5,618	\$ -	\$ 5,618
615	Purchased Power	21,824	3,520	\$ 25,344	\$ -	\$ 25,344
616	Fuel for Power Production			\$ -	\$ -	\$ -
617	Other Utilities	275	40	\$ 315	\$ -	\$ 315
618	Chemical / Treatment Expense	-	1,050	\$ 1,050	\$ (1,050)	\$ -
619	Office Supplies	2,106		\$ 2,106	\$ -	\$ 2,106
619.1	Postage	2,974	1,561	\$ 4,535	\$ (1,000)	\$ 3,535
620	O&M Materials/Supplies		3,212	\$ 3,212	\$ -	\$ 3,212
621	Repairs to Water Plant	4,026		\$ 4,026	\$ -	\$ 4,026
631	Contract Svcs - Engineering	98		\$ 98	\$ -	\$ 98
632	Contract Svcs - Accounting	4,800	2,500	\$ 7,300	\$ -	\$ 7,300
633	Contract Svcs - Legal		5,000	\$ 5,000	\$ -	\$ 5,000
634	Contract Svcs - Management Fees			\$ -	\$ -	\$ -
635	Contract Svcs - Testing	7,888	(3,500)	\$ 4,388	\$ -	\$ 4,388
636	Contract Svcs - Labor			\$ -	\$ -	\$ -
637	Contract Svcs - Billing/Collection		2,400	\$ 2,400	\$ -	\$ 2,400
638	Contract Svcs - Meter Reading	6,405	(6,405)	\$ -	\$ -	\$ -
639	Contract Svcs - Other		3,550	\$ 3,550	\$ -	\$ 3,550
639B	Contract Svcs - Other		1,035	\$ 1,035		\$ 1,035
641	Rental of Building/Real Property	9,720	243	\$ 9,963	\$ -	\$ 9,963
642	Rental of Equipment	630	(30)	\$ 600	\$ -	\$ 600
643	Small Tools			\$ -	\$ -	\$ -
648	Computer/Electronic Expenses	1,955		\$ 1,955	\$ -	\$ 1,955
650	Transportation	3,555	1,495	\$ 5,050	\$ -	\$ 5,050
656	Vehicle Insurance	737		\$ 737	\$ 611	\$ 1,348
657	General Liability Insurance	1,903		\$ 1,903	\$ 1,371	\$ 3,274
658	Workers' Comp Insurance		750	\$ 750	\$ 4,052	\$ 4,802
659	Insurance - Other	13,374	(6,008)	\$ 7,366	\$ (6,147)	\$ 1,219
666	Amortz. of Rate Case			\$ -	\$ -	\$ -
667	Gross Revenue Fee (PUC)	1,059	993	\$ 2,052	\$ (228)	\$ 1,824
668	Water Resources Conservation Plan		2,000	\$ 2,000		\$ 2,000
670	Bad Debt Expense			\$ -	\$ -	\$ -
671	Cross Connection Control Program			\$ -	\$ -	\$ -
673	Training and Certification	355		\$ 355	\$ -	\$ 355
674	Consumer Confidence Report			\$ -	\$ -	\$ -
675	Miscellaneous Expense	8,105		\$ 8,105	\$ -	\$ 8,105
OE1	Other Expense 1 - Shared Services		14,110	\$ 14,110	\$ -	\$ 14,110
OE2	Other Expense 2 - OHA fee		1,125	\$ 1,125	\$ -	\$ 1,125
OE3	Other Expense 3			\$ -	\$ 1,431	\$ 1,431
OE4	Other Expense 4			\$ -	\$ 3,415	\$ 3,415
OE5	Other Expense 5			\$ -	\$ -	\$ -
	TOTAL OPERATING EXPENSE	\$ 278,954	\$ 74,812	\$ 353,766	\$ (6,279)	\$ 347,487
	OTHER REVENUE DEDUCTIONS					
403	Depreciation Expense	19,485	44,963	\$ 64,448	\$ (28,285)	\$ 36,162
406	Amort of Plant Acquisition Adjustment			\$ -	\$ -	\$ -
407	Amortization Expense			\$ -	\$ -	\$ -
408.11	Property Tax	12,816	27,374	\$ 40,190	\$ (16,007)	\$ 24,183
408.12	Payroll Tax	12,981		\$ 12,981	\$ -	\$ 12,981
408.13	Other	150		\$ 150	\$ -	\$ 150
409.10	Federal Income Tax	266	17,160	\$ 17,426	\$ (2,558)	\$ 14,868
409.11	Oregon Income Tax	-	6,825	\$ 6,825	\$ (1,002)	\$ 5,824
409.13	Extraordinary Items Income Tax			\$ -	\$ -	\$ -
	TOTAL REVENUE DEDUCTIONS	\$ 324,652	\$ 171,134	\$ 495,786	\$ (54,131)	\$ 441,655
	Net Operating Income	\$ 4,254	\$ 86,276	\$ 90,530	\$ (11,046)	\$ 79,484
	UTILITY RATE BASE					
101	Utility Plant in Service	1,107,532	952,163	\$ 2,059,695	\$ (84,907)	\$ 1,974,788
105	Construction Work in Progress			\$ -	\$ -	\$ -
108	- Accumulated Depreciation of Plant	661,748	85,742	\$ 747,489	\$ (36,151)	\$ 711,338
271	- Contributions in Aid of Construction	363,710		\$ 363,710	\$ -	\$ 363,710
272	+ Accumulated Amortization of CIAC	229,709	19,142	\$ 248,851	\$ -	\$ 248,851
281	- Accumulated Deferred Income Tax	(72,207)	50,341	\$ (21,866)	\$ 21,866	\$ -
	- Excess Capacity			\$ -	\$ -	\$ -
	= NET RATE BASE INVESTMENT	\$ 383,990	\$ 835,222	\$ 1,219,212	\$ (70,622)	\$ 1,148,590
	Plus: (working capital)					
	Materials and Supplies Inventory			\$ -	\$ -	\$ -
orking Ca	Working Cash (Total Op Exp /12)	23,246	6,234	\$ 29,480	\$ (523)	\$ 28,957
	TOTAL RATE BASE	\$ 407,236	\$ 841,456	\$ 1,248,692	\$ (71,144)	\$ 1,177,548
	Rate of Return	1.04%		7.25%		6.75%

Revenue Calculation

Current								
Customer	Consumption	Customers	Base Rate	Base Revenue	Com. Rate	Com. Revenue	Total Revenue	Average Bill
Unmetered	0	1	\$ 32.47	\$ 389.64	\$ 1.02	\$ -	\$ 389.64	\$ 32.47
3/4"	5,512,817	859	\$ 20.36	\$ 209,870.88	\$ 1.02	\$ 56,230.73	\$ 266,101.61	\$ 25.82
3/4"	455,454	26	\$ 20.36	\$ 6,352.32	\$ 1.02	\$ 4,645.63	\$ 10,997.95	\$ 35.25
1"	553,041	19	\$ 35.05	\$ 7,991.40	\$ 1.02	\$ 5,641.02	\$ 13,632.42	\$ 59.79
1 1/2"	513,190	13	\$ 75.12	\$ 11,718.72	\$ 1.02	\$ 5,234.54	\$ 16,953.26	\$ 108.67
2"	349,846	3	\$ 500.77	\$ 18,027.72	\$ 1.02	\$ 3,568.43	\$ 21,596.15	\$ 599.89
Misc. Revenue							\$ 662.00	
Other Revenue							\$ 1,732.00	
TOTAL REVENUE				\$ 254,351		\$ 75,320	\$ 332,065	

Phase 1										
Customer	Consumption	Customers	Base Rate	Base Revenue	Com. Rate	Com. Revenue	Total Revenue	Average Bill	Increase	
Unmetered	0	1	\$ 40.99	\$ 491.94	N/A	\$ -	\$ 491.94	\$ 40.99	26%	
3/4"	5,512,817	859	\$ 24.80	\$ 255,589.67	\$ 1.30	\$ 71,555.50	\$ 327,145.17	\$ 31.74	23%	
3/4"	455,454	26	\$ 24.78	\$ 7,730.89	\$ 1.30	\$ 5,911.72	\$ 13,642.61	\$ 43.73	24%	
1"	553,041	19	\$ 51.48	\$ 11,738.58	\$ 1.30	\$ 7,178.39	\$ 18,916.96	\$ 82.97	39%	
1 1/2"	513,190	13	\$ 105.36	\$ 16,436.91	\$ 1.30	\$ 6,661.13	\$ 23,098.04	\$ 148.06	36%	
2"	349,846	3	\$ 677.61	\$ 24,394.09	\$ 1.30	\$ 4,540.95	\$ 28,935.04	\$ 803.75	34%	
Misc. Revenue							\$ 662.00			
Other Revenue							\$ 1,732.00			
TOTAL REVENUE				\$ 316,382		\$ 95,848	\$ 414,624			

Phase 2											
Customer	Consumption	Customers	Base Rate	Base Revenue	Com. Rate	Com. Revenue	Total Revenue	Average Bill	Increase	TY Increase	
Unmetered	0	1	\$ 51.45	\$ 617.37	N/A	\$ -	\$ 617.37	\$ 51.45	25%	58%	
3/4"	5,512,817	859	\$ 31.10	\$ 320,542.57	\$ 1.65	\$ 90,820.44	\$ 411,363.01	\$ 39.91	26%	55%	
3/4"	455,454	26	\$ 31.10	\$ 9,702.10	\$ 1.65	\$ 7,503.34	\$ 17,205.44	\$ 55.15	26%	56%	
1"	553,041	19	\$ 64.78	\$ 14,770.83	\$ 1.65	\$ 9,111.03	\$ 23,881.86	\$ 104.74	26%	75%	
1 1/2"	513,190	13	\$ 133.02	\$ 20,751.72	\$ 1.65	\$ 8,454.51	\$ 29,206.23	\$ 187.22	26%	72%	
2"	349,846	3	\$ 852.99	\$ 30,707.78	\$ 1.65	\$ 5,763.51	\$ 36,471.29	\$ 1,013.09	26%	69%	
Misc. Revenue							\$ 662.00				
Other Revenue							\$ 1,732.00				
TOTAL REVENUE				\$ 397,092		\$ 121,653	\$ 521,139				

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

NAMING RATES FOR

SALMON VALLEY WATER COMPANY

PO Box 205

Welches, OR 97067

503.622.4083

Serving water in the vicinity of

Welches, Oregon

Issue Date / Filing Date		Effective for Service on or after	July 1, 2021
Issued By Utility	SALMON VALLEY WATER COMPANY		

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SCHEDULE NO. 1**RESIDENTIAL, COMMERCIAL AND MULTI-FAMILY METERED RATES**

Available: To customers of the Utility at Welches, Oregon, and vicinity.

Applicable: To residential, commercial and multi-family customers.

Base Rate

SERVICE METER SIZE	MONTHLY BASE RATE	USAGE ALLOWANCE
5/8 inch or 3/4 inch	\$24.78	0
1 inch	\$51.48	0
1½ inches	\$105.36	0
2 inches	\$677.61	0

Commodity Usage Rate

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$1.30	Per Unit	1 unit = 100 cubic feet

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 26, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.
3. Multi-family customers' monthly water service charge will be assessed at the number of units served times the monthly base rate plus the commodity charge. Example: If the premise serves 8 units, the base charge will be 8 times the base rate plus the commodity charge applied to the amount of water usage.

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SCHEDULE NO. 1**RESIDENTIAL, COMMERCIAL AND MULTI-FAMILY METERED RATES**

Available: To customers of the Utility at Welches, Oregon, and vicinity.

Applicable: To residential, commercial and multi-family customers.

Base Rate

SERVICE METER SIZE	MONTHLY BASE RATE	USAGE ALLOWANCE
5/8 inch or 3/4 inch	\$31.10	0
1 inch	\$64.78	0
1½ inches	\$133.02	0
2 inches	\$852.99	0

Commodity Usage Rate

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$1.65	Per Unit	1 unit = 100 cubic feet

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 26, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.
3. Multi-family customers' monthly water service charge will be assessed at the number of units served times the monthly base rate plus the commodity charge. Example: If the premise serves 8 units, the base charge will be 8 times the base rate plus the commodity charge applied to the amount of water usage.

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SCHEDULE NO. 2
NON-METERED FLAT RATES

Available: To customers of the Utility at Welches, Oregon, and vicinity.

Applicable: To non-metered flat rate customers.

FLAT RATES

MONTHLY FLAT RATE
\$40.91

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 26, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall also be billed at the applicable flat rate shown above.

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SCHEDULE NO. 2
NON-METERED FLAT RATES

Available: To customers of the Utility at Welches, Oregon, and vicinity.

Applicable: To non-metered flat rate customers.

FLAT RATES

MONTHLY FLAT RATE
\$51.31

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 26, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall also be billed at the applicable flat rate shown above.

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SCHEDULE NO. 3
RATES FOR COMMERCIAL WATER HAULERS

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

APPLICABLE: To all commercial water haulers.

COMMERCIAL WATER HAULERS RATE

\$1.30 per 100 cubic feet

SPECIAL PROVISIONS:

1. Truck meters must be presented at the Utility's office between the 1st and the 5th of each month. Bills for service are due in accordance with the tariff. Failure to present meter in accordance with this provision will be considered grounds for termination of service under Rule 18 of this Tariff.
2. Commercial water haulers detected not using meters or proper equipment may be denied service for one month for the first offense, and denied service completely for a second offense.
3. Commercial water haulers shall fill only from designated hydrants at designated times that have been determined by the Utility to have excess capacity. Failure to comply with this requirement will be considered grounds for termination of service.
4. Continued use of the Utility's facilities following termination of service shall be considered theft of services under OAR 860-036-1590.

Issue Date / Filing Date		Effective for Service on or after	July 1, 2021
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SCHEDULE NO. 3

RATES FOR COMMERCIAL WATER HAULERS

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

APPLICABLE: To all commercial water haulers.

COMMERCIAL WATER HAULERS RATE

\$1.65 per 100 cubic feet

SPECIAL PROVISIONS:

1. Truck meters must be presented at the Utility's office between the 1st and the 5th of each month. Bills for service are due in accordance with the tariff. Failure to present meter in accordance with this provision will be considered grounds for termination of service under Rule 18 of this Tariff.
2. Commercial water haulers detected not using meters or proper equipment may be denied service for one month for the first offense, and denied service completely for a second offense.
3. Commercial water haulers shall fill only from designated hydrants at designated times that have been determined by the Utility to have excess capacity. Failure to comply with this requirement will be considered grounds for termination of service.
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SCHEDULE NO. 4**MISCELLANEOUS SERVICE CHARGES**

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

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

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

Reading Submeters & Preparing Memo Bill (Rule No. 22A) \$10.00

Meter Test (Rule Nos. 19 & 20)

First test within 12-month period	N/C
Second test within 12-month period	\$25.00

Pressure Test (Rule No. 39)

First test within 12-month period	N/C
Second test within 12-month period	\$25.00

Late-Payment Charge (Rule No. 21)

Pursuant to OAR 860-036-1400

Deposit for Service (Rule No. 5)

Pursuant to OAR 860-036-1220

Returned-Check Charge (Rule No. 22)

\$20.00

Trouble-Call Charge (Rule No. 35)

During normal office hours	\$25.00 per hour
After normal office hours on special request	\$35.00 per hour

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

During normal office hours	\$25.00
After normal office hours on special request	\$35.00

Unauthorized Restoration of Service (Rule No. 30)

Disconnection/Reconnection charge plus costs

Damage/Tampering Charge (Rule No. 28)

At cost

Disconnect Site-Visit Charge (Rule No. 29)

\$20.00

Issue Date / Filing Date		Effective for Service on or after	July 1, 2021
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SCHEDULE NO. 5**COMMODITY POWER COST ADJUSTMENT**

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

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

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

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 the applicable rate schedules 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.

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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: SALMON VALLEY 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.

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APPLICATION FOR SERVICE

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

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

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

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

Application for water service must be made for each individual property to be served. The application shall identify the name of the applicant, the service address, the billing address, the contact information where the applicant can be reached, the type of water service requested and its intended use, and the name to be used to identify the account, if different than the applicant's actual name. The applicant shall, at this time, pay any scheduled fees or deposits. An application is a request for service and shall not be accepted until the applicant establishes credit as set forth in OAR 860-036-1210.

An application for service 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)

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

The Utility 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.

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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.

The Utility shall specify the size, character, and location of pipes and appurtenances in any main line extension. Main line extensions shall normally be along streets, roads, highways, or other satisfactory rights-of-way. All construction work shall conform to all applicable rules, regulations, codes, and industry standards. Each main line extension shall normally extend along applicant's property line to the point the applicant's service line would be at a 90-degree angle to the street or main line.

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 10A: Main Line Advances and Refunds Policy

Each new customer requesting a main line extension shall advance the Utility the cost-based amount necessary to extend the main line to provide service. For a period of five years after construction of the requested main line extension, the Utility shall also collect from any additional applicants whose connect to the main line extension an amount per foot equal to the new

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applicant's proportionate share of the main line extension cost for that portion used. The Utility will then refund the share differential amount to those customers who previously shared the cost of said main line extension. Refunds shall not exceed the amount originally advanced.

No part of the distribution system installed prior to the request for a main line extension shall be used to calculate any customer advance or refund.

Rule 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

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- 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).

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).

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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 purchases, owns, maintains, and operates all meters. Meters placed in service will be adequate in size and design for the type of service, set at convenient locations, accessible to the Utility, subject to the Utility's control, and placed in a meter box or vault between the street curb and property line. Each meter box or vault will be provided with a suitable cover.

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

The Utility shall have the right to set meters or other devices for the detection and prevention of fraud or waste without notice to the customer.

Each customer shall provide the Utility with regular access to the meter on the customer's property. For example, access is not provided if a meter is blocked by barriers including vehicles, fences, rocks, bushes, trees or other objects. Failure to permit access at reasonable times and after reasonable notice by the Utility requesting access is grounds for disconnection. (OAR 860-036-1500). In general, 24" is considered sufficient clearance from obstacles to allow meter access.

Should damage result to the meter from molesting, tampering, or willful neglect on the part of the customer, the Utility shall repair or replace the meter and may bill the customer for the reasonable cost.

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

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

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

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

A customer may request that the Utility test the service meter once every 12 months at no cost. Such test shall be made within seven calendar days of the receipt of the request unless the customer fails to provide the Utility reasonable access to the meter. The customer or the customer's representative has the right to be present during the test, which is to be scheduled at a mutually agreeable time. Within seven calendar days of performing the requested meter test, report shall be provided to the customer stating:

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

If a customer requests a meter test more often than once in any 12-month period, and the test results indicate that the meter is registering within the two percent performance standard, the customer may be assessed a reasonable charge for the test if the charge is included in the Miscellaneous Service Charges Schedule. If the meter registers outside the two percent performance standard, the Utility may not charge the customer for the meter test.

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BILLING

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

All bills, including closing bills, are due and payable at the Utility office within at least 15 days when rendered by deposit in the mail or other reasonable means of delivery, unless otherwise specified on the bill. The date of presentation is the date on which the Utility mails the bill.

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

All water service bills will show:

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

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

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

Rule 22: Returned Payment Charge

The Returned Payment Charge listed on the Miscellaneous Service Charges Schedule shall be billed for each occasion a customer submits any type of noncash payment (check, debit, electronic, etc.) that is not honored, for any reason, by a bank or other financial institution.

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Rule 22A: Master Meter with Memo Bill

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

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

The total aggregate monthly base charges of all sub-metered accounts shall not exceed the total aggregate monthly base charge of the master meter serving sub metered accounts. There will be a monthly charge for readying and preparing a memo bill for each sub-meter as indicated in Schedule No. 4, Miscellaneous Service Charges. This monthly charge will be the responsibility of the master meter customer.

Rule 23: Prorating of Bills

Initial and final bills will be prorated according to the number of days service was rendered and on the basis of a 31-day month. For metered services, a reasonable effort will be made to read the meter upon opening and closing a customer's account. Consumption will be charged at scheduled rates. Any minimum monthly charge will be prorated.

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

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

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

- A. The circumstances and time period of the billing error;
- B. The corrected bill amount and the amount of the necessary adjustment;
- C. The Commission's consumer complaint process; and

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- 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.

This rule also applies to customers who change service locations, and who applied for the new service within 20 days of closing the prior account (thereby retaining customer status).

DISCONNECTION OF WATER SERVICE

Rule 26: 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

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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 27: 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 28: 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.

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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; and
- C. A statement that once service is disconnected, the water utility will reconnect service only after the customer reapplies for service and pays all applicable charges..

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

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Within 48 hours of disconnection, the Utility will make a good-faith effort to contact the customer or an adult at the residence and provide notice of the proposed disconnection. If contact is not made, the Utility shall leave a notice in a conspicuous place at the customer's premise informing the customer that service has been disconnected.

Disconnection of Water Service to Tenants:

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

Time Payment Agreements (OAR 860-036-1420)

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

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

A time-payment agreement disconnection occurs when a customer fails to comply with the terms of a written time-payment agreement between the customer and the Utility, or the 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.

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Rule 29: 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 the tariff.

Rule 30: 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 31: 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 32: Interruption of Service (OAR 860-036-1630, -1640)

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

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

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

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

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

Rule 33: 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:

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- 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.

Rule 33A: Damages/Tampering

Should damage result to any of the Utility's property from molesting or willful neglect by the customer to a meter or meter box located in the customer's building, the Utility will repair or replace such equipment and will bill the customer for the costs incurred.

SERVICE QUALITY

Rule 34: Adequacy of Water Service (OAR 860-036-1600)

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

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

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Rule 35: 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 36: 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 37: 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 38: 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 39: 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 4 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.

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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 40: 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 41: 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.

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

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

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

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

The Utility will regulate the location, installation and testing of all devices. The Utility will inspect the installation prior to providing water service. The annual testing of the device shall be by licensed/certified personnel. All devices in service must be tested annually.

The Utility will determine the frequency of testing based upon the severity of the hazard. Customer failure to install, maintain, and test the device as required are grounds for disconnection of water service.

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