

**GENERAL ORDER NO. 29 WATER UTILITY REGULATIONS****Introduction**

There are three agencies of Vermont State Government involved with water systems in Vermont. Each agency has a set of rules and regulations governing water systems, and any person, corporation or association planning to build, modify, finance, or operate a water utility in Vermont must be familiar with each agency's regulations.

The Vermont State Health Department has water quality responsibilities for all public water supply systems serving 10 users or more, pursuant to Title 18 V.S.A. 1203. Its regulations cover bacteriological, chemical, physical and radiological quality. Health Department regulations also cover test and operation, registration and certification of water plant operators. A copy of these regulations is available from the Department of Health, 115 Colchester Avenue, Burlington, Vermont. A permit to operate a water system must be obtained from the Department of Health prior to operation.

The Department of Water Resources of the Agency of Environmental Conservation is the responsible agency concerned with the quality of all waters of the State, including water systems not under the jurisdiction of the Public Utility Commission or the Department of Health, pursuant to Title 3 V.S.A. 2801, 2873. Its regulations include all lakes, rivers and streams and municipal water systems. A copy of the Water Conservation Policy of the Department of Water Resources can be obtained from the Department of Water Resources.

The Department of Public Service has jurisdiction over private water utilities serving one or more customers, pursuant to Title 30 V.S.A. 203(3). This Order pertains to water utilities serving 10 users or more. A Certificate of Public Good must be obtained from the Public Utility Commission before a private water system can be operated. This Order supersedes Public Utility Commission General Order No. 29 dated September 30, 1947.

**Part I: General Provisions**

**Section 1. Application of Regulations** — These rules are established to promote continuous, safe and adequate service to the public, to provide standards for uniform and reasonable practices and to establish a basis for determining the responsibility of both the public and the utility. These Water System Regulations shall in no way relieve the utility from the general laws governing utility regulation in Vermont.

**Section 2. Suspension of Regulations** — Upon its own motion, or upon application, and for good cause, the Public Utility Commission may modify, suspend or repeal the provisions of any regulation herein, pursuant to the Vermont Administrative Procedures Act (3 V.S.A. 801 et. seq.) and the General Orders of this Commission.

**Section 3. Definitions** — For the purpose of this General Order:

- (a) The word "Commission" shall mean the Public Utility Commission.
- (b) The words "public utility", "water utility" or "utility" shall mean any person, partnership or corporation engaged in the collecting, sale and distribution of water for domestic, industrial or fire protection purposes. Municipal water systems are the responsibility of the Department of Health and the Department of Water Resources and not subject to these regulations. Vermont water utilities serving 10 customers or more are classified as Class D water utilities according to standards adopted by the National Association of Regulatory Utility Commissioners (NARUC).
- (c) The word "customer" shall mean any person, partnership, association, corporation or agency of the Federal, State or local government being supplied with water by a water utility for domestic, industrial, business or fire protection purposes.

- (d) The term "water service" shall mean the furnishing of water to a customer by a utility.
- (e) The word "meter" shall mean any device used for the purpose of measuring the quantity of water delivered by a utility to a customer.
- (f) The word "main" shall mean a water pipe owned or maintained by a utility which is used for the purpose of transmission or distribution of water, not including the service pipe.
- (g) The words "service pipe" shall mean the connection between the main and the customer's property and shall include all the pipe fittings and valves to make the connection.
- (h) The words "curb stop" shall mean the connection between the main and the customer's service pipe.
- (i) The words "service connection" shall mean the point of connection of the customer's property with the service pipe.
- (j) The words "water plant" shall mean any facilities owned by a water utility for the pumping, purification, storage, transmission and distribution of water.

**Section 4. Location of Records** — All records required by these regulations or necessary for the administration thereof shall be kept within the State of Vermont unless otherwise authorized by the Commission. Said records shall be available for examination by the Commission or its authorized representatives during all reasonable business hours.

**Section 5. Uniform System of Accounts** — All Class D water utilities defined in Vermont as private utilities serving 10 customers or more shall keep a uniform system of accounts as specified by the National Association of Regulatory Utility Commissioners and adopted by the Commission.

**Section 6. Filing with the Commission** — Tariffs, rules and regulations, other than what is documented in the Annual Report, created by Class D water utilities pertaining to service policy shall be filed with the Commission in accordance with this General Order and shall include:

- (a) Minimum annual connection charge (if any) by type of customer: residential, commercial, etc.
- (b) Water rates for both metered (charge per cubic foot or charge per gallon) and flat rate by type of customer: residential, commercial, etc.
- (c) Terms of payment.
- (d) New connection charge by type of customer.
- (e) Date filed and date effective.
- (f) Deposit required (if any).
- (g) Other terms and conditions set by the Company.

The Commission may require any utility to file other information or reports as required to aid in the performance of its duties. Existing water utilities proposing changes in tariffs, rules or regulations shall petition the Commission for approval of changes prior to them becoming effective, pursuant to 30 V.S.A. 225.

**Section 7. Annual Report Filing** — All water utilities of 10 customers or more shall file an annual report with the Commission on or before April 15 of each year in the form developed and used previously by the Commission for Class D water utilities as noted in Section 26. Copies of the annual report form are available from the Commission.

**Section 8. New Water Utilities** — Prior to the issuance of a Certificate of Public Good by the Commission to a new or planned utility of 10 customers or more, the following information must be provided to the Commission:

- (a) Proposed tariffs, rules and regulations pertaining to service as outlined in Section 6.
- (b) Five year plan for the financing, management and operation of the utility including by-laws of proposed utility.
- (c) Description of planned method of recovering original water utility development cost including the approximate per lot or per unit cost of water systems.
- (d) Details of water rate structure including expected annual operating expenses.
- (e) Completed pro forma annual report in the form for Class D water utilities noted in Section 26.
- (f) Utility diagram described in Section 10.

After reviewing the preceding information, the Commission may require a bond, not to exceed 100% of the value of the proposed water system, from the water utility. The terms and conditions of the bond shall be proposed by the applicant and approved by the Commission.

**Section 9. Health Department Regulation Compliance** — Prior to the issuance of a Certificate of Public Good to new utilities, written proof of compliance with Vermont Health Department regulations must be received by the Commission.

**Section 10. Utility System Diagram** — All Class D utilities of 10 customers or more shall no later than September 1, 1973, provide the Commission with a clear and legible diagram of the utility's operating area. Said diagram shall contain the following:

- (a) Location of well or pumping station or other sources of supply.
- (b) Storage facilities.
- (c) Mains by size.
- (d) Locations of valves and fire hydrants.
- (e) Service area.
- (f) Any other information required by the Commission.

This diagram shall be updated annually and included with the Annual Report.

**Part II: Customer Relations**

Customer deposits are covered by Public Utility Commission General Order No. 46.<sup>2</sup>

**Section 11. Application for Service** — An applicant desiring service from any utility may be required to make application in writing. The utility must serve the applicant unless the applicant is in violation of Commission regulations.

**Section 12. Service Provisions** — A water utility is not allowed to add customers if the average pressure would decrease below 20 p.s.i. to either existing customers or new customers. The utility has an obligation to improve the water system to bring it up to the 20 p.s.i. acceptable pressure level. In systems of varying elevations, a utility may, with approval by the Public Utility Commission, undertake service which does not comply with the foregoing regulations if the customer is fully advised of the conditions under which average service may be expected and the customer's agreement secured in writing.

**Section 13. Service Extensions** — Extension of service for utilities shall be made upon petition to the utility by prospective customers subject to the following terms and conditions:

- (a) Service mains will be laid by and will be the property of the utility. When two or more new customers or a development requests water service, the cost of extending the main to serve these new customers shall be paid by the new customers.
- (b) The service pipe which extends from the service main to the customer's property shall be provided and maintained by the customer. The cost of the service pipe shall be paid by the customer including any necessary road crossings. The size and specifications of the customer's service pipe shall be determined by the utility in accordance with conditions surrounding the extension and good engineering practice.
- (c) All costs incurred to the water utility as a result of serving a new customer shall be paid by the new customer as a surcharge on his normal water bill over a five year period. When service is requested by three or more new customers in a new development or condominium, the cost of extending and expanding the existing water utility to serve these new customers may be recovered by the utility upon completion of the extension, or by agreement between the utility and the new customers. These costs shall include necessary increased storage capacity, pumping capacity, metering, and additions to the distribution system (water mains) necessary to serve the new customer(s) and to maintain a system-wide 24 hour pressure of 20 p.s.i. A utility may petition the Commission to treat as a new customer any existing customer with increased water consumption of more than 20% in any one year where such increased consumption will continue. Costs of improvements to the system may be billed as a service extension surcharge. All existing customers served by the utility at the time this Order becomes effective shall be entitled to water at their average consumption rate without a surcharge except under the 20% increase provision noted above.
- (d) The customer shall not permit access to anyone, except authorized employees of the company, to the meter and equipment of the company or interfere with the same.

**Section 14. Complaints** — Upon customer complaint as to quantity and cost of service to the utility in person, by letter, or by telephone, the utility shall promptly make an investigation thereof and report the results to the complainant. If the matter needs further investigation, it may be brought

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before the Commission. The utility shall keep a written record of all complaints and shall annually file with the Commission a report summarizing such records as to type of complaint and action taken.

**Section 15. Inspection** — The management will have the right at reasonable times, but only upon reasonable advance notice, to enter the premises of the customer for the purpose of inspecting the company's property or reading meters.

**Section 16. Waste of Water** — The customer shall maintain the service pipe and all piping and fixtures on his premises so that leakage of water is kept to a minimum.

**Section 17. Refusal to Serve** — The utility may, after written notice to applicant, refuse to serve an applicant under the following conditions:

- (a) Failure of applicant to comply with the rules of the utility filed with the Commission.
- (b) If the intended use is of such a nature that it will be detrimental, injurious, or materially downgrade the service of existing customers. Refusals to serve based upon this subsection shall be reported to the Commission within seven days after refusal to serve.
- (c) If, in the judgment of the utility, the service may be hazardous or unsafe.

Disconnection may result because of:

- (a) Unauthorized use of water.
- (b) Customer tampering with equipment furnished and owned by the utility.
- (c) Violation of and/or non-compliance with this General Order or other applicable orders of the Commission.
- (d) Failure of the customer to permit the utility reasonable access to its equipment or to his premises for purposes of inspection.

**Section 18. Interruption of Service** — All utilities shall use all reasonable means to avoid interruption of service, but should such interruptions occur, service shall be reestablished within the shortest time practicable at minimum inconvenience to customers, consistent with safety. Whenever a utility finds it necessary to interrupt service for one hour or more to its customers, it shall notify all customers who will be affected at least 48 hours prior to the scheduled interruption. Where public fire protection is provided by the mains affected by the interruptions, the utility shall promptly notify, prior to interruption, the Fire Chief or other officials responsible for fire protection. Reports of interruptions of one hour or more shall be maintained by the utility for inspection by the Commission. The Commission shall be notified if the interruption is of sufficient duration to cause serious conditions in homes, farms or industry. This section supersedes the entire Public Utility Commission General Order No. 37, dated December 1, 1959, concerning interruptions of service.

**Section 19. Water Rates** — Water shall be sold on a metered basis by all new utilities of 10 customers or more. Charges shall be on a cubic foot or gallon basis and recorded annually by type of customer: residential; commercial; seasonal; etc. Existing utilities shall meter all new customers and create a metered service rate. Flat rate service is allowed existing utilities and customers only.

Rates charged will be designed to discourage waste, provide for improvements, and allow an adequate revenue level to meet expenses and a reasonable rate of return. Rates shall be designed to reflect recovery of costs associated with each class of user.

**Part III: Engineering**

**Section 20. General Provisions** — The design and construction of a new utility's water plant shall conform to good standard engineering practices including the minimum standards of the American Water Works Association Code in effect at time of construction. The utility will also conform to the Rules and Regulations of the Plumber's Engineering Board and will comply with such specific additional design and construction regulations as the Commission may prescribe. The water system shall be designed to provide reasonable service for a period of 20 years or more. The system shall conform to the regulations of the State Department of Health unless exempted in writing by the Department of Health. New utilities shall forward their plans to the Public Utility Commission and to the Department of Health for examination. In the absence of disapproval within 30 days of receipt of the plans, such plans shall be deemed approved by the Commission.

**Section 21. Minimum Standards of Construction**

- (a) Mains shall be installed below ground level or otherwise protected from freezing.
- (b) Insofar as practicable, the utility shall design its distribution system so as to avoid deadends on its mains. Where deadends are unavoidable the utility shall provide hydrants or valves for the purpose of flushing as often as necessary to provide the proper quality of water.
- (c) Wherever feasible, all systems shall be laid out in a segmented grid so that in case of trouble, interruptions in service will be kept to a minimum.
- (d) All new utilities will provide each customer with an individual shut-off. Tandem services where they now exist will be eliminated when possible.
- (e) All service pipes shall not be less than 3/4 inch nominal size except under unusual circumstances, which shall be clearly defined, and will be laid at such a depth below ground level or otherwise protected from freezing.

**Section 22. Fire Protection** — New utilities shall provide for proper fire protection unless exempted by the Commission. Town or city fire departments shall be given an opportunity to be heard before a Certificate of Public Good will be issued by the Commission.

**Section 23. Pressure Surveys** — Periodic pressure checks shall be made. Public Utility Commission pressure testing equipment is available for use by utilities upon request. Such tests shall be made by utilities of 10 customers or more at least ever two years to insure an average daily pressure of 20 p.s.i. Reports of these tests shall be on record with the company and shall be available for inspection by the Commission.

**Section 24. Meters and Testing** — The customer shall furnish free of cost at its facilities the necessary frost free space, foundations, supports and housings required to protect the company's property used to serve the customer. Meters shall be installed, at the utilities' expense, by the utility. The meters shall meet the following specifications:

- (a) Be in good mechanical condition.
- (b) Be inspected for correctness of register ratio and register constant before being installed on a customer's premises.
- (c) Be tested for accuracy at least every five years.

- (d) Be sealed upon installation to prevent tampering.
- (e) Be tested at least once annually at no charge if such request is made by the customer.
- (f) Each utility having metered service will keep properly classified records giving for each meter: the serial number; make; date of purchase; the name and address of each customer on whose premises the meter has been installed; and the date it was last tested.
- (g) In the case of a meter failing materially to record properly the quantity of water used in any period, the parties shall estimate the quantity of water used by the customer during the period in which the meter shall have been non-operative or shown to be incorrect.

**Section 25. Analysis of Water** — Each utility of 10 or more customers shall maintain a record of chemical analysis of its water as required by the Vermont Department of Health. Samples shall be furnished to the Health Department as required.

#### **Part IV: Appendix**

**Section 26. Annual Report Form** — The annual report form is for Class D water utilities defined by the Commission as utilities serving ten customers or more. The form is available from the Commission.

