

DECISION

NSUARB-W-DEB-R-11
2011 NSUARB 103

NOVA SCOTIA UTILITY AND REVIEW BOARD

RA

IN THE MATTER OF THE *PUBLIC UTILITIES ACT*

- and -

IN THE MATTER OF AN APPLICATION of the **MUNICIPALITY OF THE COUNTY OF COLCHESTER**, on behalf of the **Debert Water Utility**, for Approval of Amendments to its Schedule of Rates and Charges for Water and Water Services and its Schedule of Rules and Regulations

BEFORE: Murray E. Doehler, CA, P.Eng., Member

APPEARING: **MUNICIPALITY OF THE COUNTY OF COLCHESTER**

Gerry A. Isenor, P.Eng.
G.A. Isenor Consulting Limited

William H. Gates, MBA, P.Eng.
W.H. Gates Utility Consultants Ltd.

Bruce E. Purchase, CGA
Director of Corporate Services

Donna Campbell
Finance Manager

Ramesh K. Ummat, M.Eng., P.Eng.
Director of Public Works

HEARING DATE: May 3, 2011

FINAL SUBMISSIONS: May 13, 2011

DECISION DATE: **July 6, 2011**

DECISION: **Schedule of Rates and Charges approved, as amended.
Schedule of Rules and Regulations approved.**

I SUMMARY

[1] The Municipality of the County of Colchester (the "Municipality", the "County") applied to the Nova Scotia Utility and Review Board (the "Board") on behalf of the Debert Water Utility (the "Utility", the "Applicant") for amendments to its Schedule of Rates and Charges for Water and Water Services and Schedule of Rules and Regulations pursuant to the *Public Utilities Act* (the "Act"), R.S.N.S. 1989, c. 380 as amended. The service area of the Debert Water Utility consists of Colchester Park, which includes the former base (CFS Debert) and housing in the area, and the Debert Air Industrial Park ("DAIP"), which mainly consists of businesses. The existing Schedule of Rates for Water and Water Services and Schedule of Rules and Regulations have been in effect since April 1, 2010, and March 1, 2009, respectively.

[2] A rate study to support the Application, dated December 11, 2010, was prepared by G.A. Isenor Consulting Limited in association with W.H. Gates Utility Consultants Ltd. and was submitted to the Board on February 8, 2011 (Exhibit D-2) (the "Rate Study"). The Applicant's presentation during the public hearing was based on this.

[3] The Application proposes rates for the years 2011/12, 2012/13 and 2013/14 (the "Test Years"). The proposed increases for the unmetered customers, based on an annual consumption of 272 cubic metres, are 10.2%, 8.0% and 4.0%, respectively for each of the test years. The proposed increases for all metered services, (i.e., 5/8" to 3"), based upon average consumption for each meter size, range from 7.9% to 12.2% in 2011/12, 7.8% to 8.3% in 2012/13 and 4.0% to 4.1% in 2013/14.

[4] The Application also proposes amendments to the annual public fire protection charge to be paid by the Municipality to the Utility. The current annual fire protection charge is \$62,058 and it is proposed to be \$80,363 in 2011/12, \$91,344 in 2012/13 and \$103,358 in 2013/14.

[5] The public hearing was held at the Debert Hospitality Centre on May 3, 2011, after due public notice. Gerry A. Isenor, P.Eng., of G.A. Isenor Consulting Limited, and William H. Gates, MBA, P.Eng., of W.H. Gates Utility Consultants Ltd., represented the Utility. The Utility was also represented by Municipal staff, Bruce E. Purchase, CGA, Director of Corporate Services; Ramesh K. Ummat, M.Eng., P.Eng., Director of Public Works; and Donna Campbell, Finance Manager. While the Board did not receive any letters of comment, a number of residents attended and aired their concerns during the hearing.

[6] A rate increase is approved, as advertised and proposed with an amended start date. The Rules and Regulations are approved, as requested by the Utility.

II INTRODUCTION

[7] The Utility's source of supply is groundwater from three wells. The water is disinfected through chlorination at each of the wellhead facilities. The system has two storage tanks with capacities of 3.4 million litres and 4.5 million litres. Due to initiatives undertaken by management, the Utility indicated that the non-revenue water has been reduced to 32% in 2010 from the 40% level reported during the last rate application in 2008, despite the age of the water distribution system.

[8] In order to comply with the provisions of the Nova Scotia Environment's ("NSE") 'A Drinking Water Strategy for Nova Scotia' (the "Drinking Water Strategy"), the document - System Assessment Report for Debert Air Industrial Park Wellfield and Water Distribution System' (the "System Assessment") was prepared by CBCL Limited in April 2005 and filed as a part of the responses to Information Requests ("IRs") in the last Rate Application in 2008. The System Assessment identified deficiencies in the current system's infrastructure which needed to be addressed.

[9] A Groundwater Under the Direct Influence of Surface Water ("GUDI") assessment was conducted to address some of these deficiencies. It has been determined that one of the Utility's source wells is potentially GUDI and this has been shut down. The Applicant confirmed that other than the items identified in relation to the GUDI assessment, the recommendations in the System Assessment Report have been addressed or are in the process of being addressed.

[10] The Applicant currently serves 186 customers. The commercial customers located in DAIP are all metered. There are 18 unmetered customers, of which 10 are in the Debert Incubator Mall that cannot be metered without extensive work and cost. The cost of metering customers that can be metered is included in the Rate Study. The Application projects that there will be a slight growth in the number of customers to 195 by the end of the Test Years.

[11] The Application was presented to the Board based upon the need to adjust the current base charges and consumption charges due to increased operating costs and the capital program as set out in the Rate Study.

III REVENUE REQUIREMENTS

1. Operating Revenues and Expenses

[12] The Rate Study indicates that the Utility had an excess of revenues over expenditures for the 2009/10 fiscal year of \$73,426 and an accumulated operating deficit as of March 31, 2010, of \$2,188. While the financial statements for the year ended March 31, 2011, were not available at the time of preparing the Application, the Utility projected an excess of expenditures over revenues of \$38,005 and an operating deficit balance as at March 31, 2011 of \$40,193.

[13] The Utility projects that, at current rates, there will be an excess of expenditures over revenues for each of the Test Years resulting in an accumulated operating deficit of \$273,514 at the end of the test period. Mr. Isenor explained the Utility's financial situation during the hearing:

... During the preparation of the rate study, we did a projection of the operating deficit for the Water Utility and we projected an operating deficit in the current year of approximately 38,000, growing to 50,000 the first test year and 80,000 in the second test year to 102,000 in the third test year. That's based on existing rates and the existing customer account with a slight growth in customers in that two residential customers and one one-inch customer. So for those reasons is why we're here today asking for a rate adjustment, because of projected deficits in the operation.

[Transcript, pp. 8-9]

[14] A modest growth in volume has been provided for in the Rate Study, using average consumption rates of existing customers. Mr. Isenor added:

The other thing, as I noted in the opening remarks, is we have allowed for some growth in the system. There hasn't been growth here since the last rate hearing, I will say that, but it is a feeling that we will see some growth, that's overall growth, two residential customers a year and one one-inch customer per year.

[Transcript, p. 17]

[15] The variances for certain cost categories between the actual 2009/10 and the estimated 2010/11 amounts are quite significant. For instance, Water Treatment

expenses are estimated to decrease from \$29,998 in 2009/10 to \$23,247 in 2010/11.

The Applicant noted:

It appears that treatments expenses alone (chlorine) are included in the amount shown for 2010/11. It should have included testing costs which is an additional \$6,000.

[Exhibit D-3, IR-5(a)]

[16] The Utility's Transportation and Distribution expense is projected to increase from \$111,305 in 2009/10 to \$125,872 in 2010/11. In response to IRs, the Applicant stated that this is due to the reallocation of the vehicle expense from Administration to Transmission and Distribution (Exhibit D-3, IR-5(b)).

[17] The Administration and General expense is budgeted to decrease to \$58,327 in 2010/11 from \$74,605 in 2009/10. The Utility explained:

This decrease is due to the reallocation of the vehicle expense and the cost of setting up the new office/shop in Debert which was recorded as miscellaneous general expense.

[Exhibit D-3, IR-5(c)]

[18] The operating expenses contained in the Rate Study are based upon the Utility's budget for the year 2010/11, with projected annual increases of 3% in each of the Test Years, with the exception of Power and Pumping which have been increased by 10% in 2011/12 and 5% in 2012/13 to allow for the recent volatility in the cost of electricity.

[19] The annual depreciation expense is based on the Utility's existing assets and proposed capital projects. Mr. Isenor added:

The depreciation expense that we're carrying, we've based on the projected capital spending of the Utility in the upcoming test years. We've done it using 50 percent of the depreciation in the year in which the capital work is incurred and 50 percent in the year ... in the following year on the assumption that the Utility ... or the improvements being made would be useful for half the year and the remainder would be picked up in the following year.

[Transcript, p.11]

Findings

[20] The Board accepts the Applicant's explanation for the variances between the 2009/10 actual and the 2010/11 budgeted amounts as being reasonable.

[21] For the Test Years, the Board accepts the Utility's explanation of its budgeting process. This includes the methodology used in projecting revenues and expenses as well as the allocation of costs between the Municipality and the Utility. Based upon the information provided, the Board accepts the operating expenses as contained in the Rate Study.

[22] The Board also accepts the assumptions about the increases in customers.

[23] The Board further accepts the depreciation expense, based upon the 50% calculation in the first year of asset acquisition, as contained in the Rate Study.

2. Capital Budget and Funding

[24] The Rate Study includes the Utility's proposed infrastructure additions of \$813,000 in 2011/12, \$135,000 in 2012/13 and \$395,000 in 2013/14. As noted in response to the IRs, the capital projects include those required by the Utility's System Assessment Report (the replacement of Well 1B - \$318,000, and a two-year hydro-geological study \$175,000), a water line extension to service the requirements of new customers (MacElmon Road - \$826,000), and the replacement and/or repair of fire hydrants and other minor service equipment and minor capital water line extensions, totaling \$24,000, to be undertaken within the Test Years. Mr. Isenor described the projected capital program:

In the year ... '11/12, there's significant spending requested and it's in order to bring the Utility up to the provincial standards. Some of it is to replace aging infrastructure and piping but, as well, there's the need for some work at the wells and, in fact, at the well heads to do a proper well head projection plan which occurs in '12/13 after the wells are completed.

[Transcript, p.14]

[25] The total proposed capital budget for the Test Years of \$1,343,000 will be funded from a combination of sources, the bulk of which will come in the form of committed capital cost contributions (\$1,135,517) as detailed in Exhibit D-3, IR-9. The Applicant added:

The funding for the majority of that work is, in fact ... from outside funding. It's gas tax and some from the Province, but ... is a substantial amount of it. ... And, as well, they have a bit of a unique funding source here in the sense that as part of the turn-over of the facility, there was some housing that was turned over that's being sold off over time and, in fact, is being used to ... the capital is being flowed back into the Water Utility to offset the cost of ... the capital cost of some of the improvements. Unfortunately, the Municipality has informed me that that is coming to an end, so ... like all good things, it has to end sooner or later.

[Transcript, p.14]

[26] The balance of the required funding is proposed to come from capital out of revenue (\$10,000 per year throughout the Test Years) and long-term debt (\$49,150 in 2011/12, \$128,333 in 2013/14).

[27] The Rate Study indicates that the balance in the depreciation fund at March 31, 2011, is \$7,385 and the balance will be \$93,424 at the end of the Test Years. There are no planned withdrawals from the depreciation fund for any capital projects.

Findings

[28] The Utility's large capital expenditures are funded largely through committed capital cost contributions from the Province and the Municipality.

[29] The Board notes that the Utility has proposed a capital maintenance program, which includes the replacement and/or refurbishment of fire hydrants and minor components of the distribution system in the capital budget for the Test Years. These initiatives are expected to produce a reduction in the non-revenue water, which will result in reduced operating costs.

[30] The Board finds the proposed capital budgets for each of the Test Years of the Rate Study to be reasonable for the purposes of the Application. The Board approves the proposed funding of the Utility's share of the capital projects through the additional debt and capital out of revenue.

[31] The Utility is reminded that the inclusion of the proposed capital projects in the Rate Study does not constitute Board approval of these projects. Separate Board approval is required for projects in excess of \$250,000 as set out in s. 35 of the *Act*.

3. Non-operating Revenue and Expenditures

[32] In 2009/10 the Utility had a number of non-operating items. As revenue, an item called "Public Fire Protection – Additional" of \$20,024 and a "Grant from the Municipality" in the amount of \$131,336 was reported. For expenditures, there was an entry called "Capital out of Revenue" in the amount of \$80,224. The Utility explained:

... This is, in fact, funds that are placed ... are given really ... given to the Water Utility by the Municipality as a way of offsetting some of the expense on the additional ... on the public fire protection charge and it's done through an area rate system and whatever the balance is that isn't used to pay the direct operating cost of the Utility is, in fact, returned to the Utility as a grant to the Utility for that year. And that's projected to be relatively stable over the three-year period.

There was a significant grant to the Utility in '09/10 from the Municipality of 131,000 to eliminate the deficit for that year. That is hoped that the current operation ... with the new rates, that that grant won't be necessary in the future.

...

... The intent was, I think, to leave it relatively, as you say, cleaned up at the end of it and they did end up with just a \$2000 deficit at the end of that ... the '09/10 year. But rates ... a rate adjustment is required to get it operating on a break-even basis.

[Transcript, pp. 11-13]

[33] In 2010/11, the item "Public Fire Protection – Additional" amounted to \$11,668 and "Capital out of Revenue" stood at \$23,000, representing payment for the Utility's share in the acquisition of a truck (\$13,000) and the cost of the Water Rate Study (\$10,000).

[34] The Rate Study includes the continuation of the payment of "Public Fire Protection – Additional" fees by the Municipality to the Utility each year. This starts from \$11,901 for 2010/11, with a 3% inflation rate applied each year, to \$12,382 in the last Test Year. Aligned with this, "Capital out of Revenue" expenses in the amount of \$10,000 are planned. The Applicant stated:

...we are requesting capital [out of] revenue in the amount of \$10,000 for each of the test years to offset some of the repairs and the ongoing maintenance of the system and to ... not ongoing maintenance but to offset some of the replacement of parts and pieces in the Utility. Given its age, it's subject to some failures at the present time.

[Transcript, p.12]

[35] The non-operating expenses include principal and interest charges related to the Utility's proposed new debt that will be used to partially finance the planned capital expenditures. The 20-year payment schedules for the borrowings, \$49,150 in 2011/12 and \$128,333 in 2013/14, are included in the Application.

[36] The Application also includes dividend payments to the Municipality (referred to as "Dividend to Owner") in the amount of \$10,000 each in 2012/13 and 2013/14. The Applicant explained the rationale for dividends as follows:

The other item that we are asking is for a dividend to the owner for the last two test years, '12/13 and '13/14, and that's being requested because of the accumulated deficit in the Utility. It's understood by us that the Municipality intends to take that dividend and use it

to pay off the accumulated deficit of the Utility, which is projected to be in the order of 40 to \$50,000 by the time the rates are approved by the Board.

[Transcript, p.12]

[37] The Utility's Return on Rate Base for each of 2011/12, 2012/13 and 2013/14 is calculated to be 0.00%, 0.14% and 0.42%, respectively.

Findings

[38] The Board notes the significant grant made by the Municipality to the Utility that eliminated the deficit up to March 31, 2009, and trusts, with new rates, that a further grant will not be needed in the future. While the Municipality and the Utility plan to continue smaller contributions to offset minor repairs and maintenance through "additional fire protection charges", the Board encourages the Utility to include these requirements in the water rates in future rate applications.

[39] The Board also notes that the non-operating expenditure item referred to as "Dividend to Owner" is really an additional revenue load on all ratepayers. As such, this should be more appropriately referred to as "Additional Return on Rate Base"

[40] The Board accepts the calculated Return on Rate Base as it is well within Board guidelines. This Return is sufficient to fund all non-operating expenses, including the Additional Return on Rate Base.

IV ALLOCATION OF REVENUE REQUIREMENTS

1. Public Fire Protection

[41] The methodology used to determine the public fire protection charge is consistent with the Board's *Water Utility Accounting and Reporting Handbook (the*

"Accounting Handbook") as well as the methodology used by the majority of other water utilities in the Province. The Applicant explained:

... We have followed the Board's format, the recommended format and the accounting manual of distributing costs between general service and fire protection service. And as you noted in your opening remarks, what occurs here is that we are seeing the fire protection rate increasing, which one would expect, given how the overall cost of the systems are. We are projecting a fire protection rate of approximately \$80,000 in the current year, the first test year, 91,000 in the second test year, and 103,000 in the third test year. And that ... compares to the 62,000 currently paid for fire protection.

[Transcript, p.15]

[42] The allocations of utility plant in service to fire protection are 45.3%, 44.4% and 45.6%, respectively over each of the Test Years. The fire protection charge, currently \$62,058, is proposed to increase to \$80,363, \$91,344 and \$103,358 over the Test Years.

Findings

[43] The Board approves the methodology used, and the determination of, the public fire protection charges as proposed in the Application.

2. Utility Customers

[44] The remaining revenue requirement, after the allocation to public fire protection charge, is to be recovered from the customers of the Utility. The methodology used to allocate the remainder of the expense items to determine the base and consumption charges is now consistent with the *Accounting Handbook*. Mr. Isenor explained:

On Worksheet C-3, we distributed costs between the base charge and the commodity charge, and I will draw the Board's attention to the depreciation cost which we are recommending a change from the past rate study where it was allocated 100 percent to

base. And we're recommending that it be 40 percent to base, 30 percent to delivery, and 30 percent to production, which is really 60 percent to the price of the commodity.

We're doing that on the basis that we think it ... probably, some of us think it probably should be more aligned that way in all utilities, but the other item is that, in this case here, what we're seeing is the base charge is becoming very high as the percentage of the overall revenue stream. And by doing that, although it offers the Utility good security on their cash flow basis, it does leave the situation where those that conserve water and can demonstrate they use less water, in fact, end up paying a higher proportion of it and so the commodity price goes down as the base charge goes up. So we are recommending that change and, like I said, that was a hundred percent in the previous rate study. And that's for all three test years.

[Transcript, pp.15-16]

[45] The Rate Study indicates that the Utility sells approximately 69,885 cubic metres of water annually to its customers, which is projected to grow to 73,287 cubic metres at the end of the test period.

[46] The Utility currently has a two-block rate structure whereby water is sold at a second-block rate for higher volume customers. However, there is no customer at the second-block level and none is expected in the future. As a result, the Applicant proposes a single block structure which is similar to other water utilities in the Province.

Findings

[47] The Board accepts and approves the methodology used in the allocation of expense items to the base, customer and commodity charges.

[48] The Board further accepts the proposed single block consumption rate structure.

V SUBMISSIONS

[49] Three members of the public attended the hearing.

[50] Michael Taylor, a resident of Debert, led the comments as he asked that the Board consider the impact of the magnitude and the timing of the proposed rate increases on the customers of the Utility. Mr. Taylor also discussed low water pressure issues that were observed in certain service areas. Mr. Ummat responded to his concern at the hearing:

When the new meters are put in, there was ... there's need to have a pressure reducing valve at the meter to avoid excessive water pressures. And, probably, that must be what you are referring to. But this is something which I'll have to talk to the maintenance supervisor ...

[Transcript, p.56]

[51] Phyllis Wilding, another concerned resident of Debert, asked for some clarification on base and usage charges. The Utility responded to her questions at the hearing. Ms. Wilding was also concerned about the affordability of water rates in the future among the residents of Debert.

[52] Heather Horton, another resident, lamented how high the Utility's rates already are when compared to Truro.

Findings

[53] The Board understands that the increases in water rates, as proposed, will financially impact the Utility's customers. The Utility is currently in a slight deficit position, and delaying increases or reducing the rates without proper justification will result in further deterioration of the Utility's financial health. This could cause deterioration in water service and quality, which would be to the detriment of customers.

[54] The Utility may want to send out a letter with one of its billings to explain the base and consumption charges. There seems to be a misunderstanding of just what costs the base charge is meant to recover.

[55] The Board is also concerned about reports of inadequate water pressure in certain service areas of the Utility. The Utility should investigate the reasons for this, and take corrective action where necessary. The Board orders the Utility to file a report on its findings and proposed corrective action, if required, by September 30, 2011.

VI SCHEDULE OF RULES AND REGULATIONS

[56] The response to an IR (IR-16, Exhibit D-3) listed the proposed changes to the Utility's Schedule of Rules and Regulations, which Mr. Isenor described as minor and similar to other water utilities. He added:

... I don't think we had any substantive changes in those, Mr. Chairman, from the last time. In fact, I'm quite sure they're holding pat as from the last time. And just for the Board's interest, those are the same rules and regulations as what we're using in our Schedule of Rates and Charges, what we're using in Tatamagouche, which is within this Municipality, as well. So they have been standardized now. It took a bit to get them both on the same wavelength, but they're both standardized now and using the same common footing

[Transcript, pp.19-20]

[57] There are only two significant changes. The first one relates to a \$50 deposit required for new accounts and that the interest payable on that deposit be reflective of the interest earned by the Utility on its own bank deposits.

[58] The other is Regulation 25, adjusting the fee required for installing new service connections to be more reflective of current costs.

Findings

[59] The Board notes the alignment of Rules and Regulations is to achieve similarity with those used by Tatamagouche Utility that is also within the Municipality.

[60] The Board finds the proposed changes to the Utility's Schedule of Rules and Regulations to be reasonable.

VII CONCLUSION

[61] The Application requests rate increases effective April 1, 2011, April 1, 2012, and April 1, 2013, which are not possible given the timing of the Application and the hearing. The Board approves the Schedule of Rates and Charges for Water and Water Services supplied on and after July 1, 2011, April 1, 2012, and April 1, 2013, with the rates as proposed, and are attached hereto as Schedules "A", "B" and "C".

[62] The Board approves the Schedule of Rules and Regulations, with the proposed revisions, attached hereto as Schedule "D", with an effective date of July 6, 2011.

[63] An Order will issue accordingly.

DATED at Halifax, Nova Scotia, this 6th day of July, 2011.


Murray E. Doehler

SCHEDULE "A"

**MUNICIPALITY OF THE COUNTY of COLCHESTER
DEBERT WATER UTILITY**



SCHEDULE OF RATES FOR WATER AND WATER SERVICES

(Effective for water supplied on and after July 1, 2011)

RATES

The rates set out below are the rates approved by the Board for water and water services when payment is made within 30 days from the date rendered as shown on the bill.

When payment is made after 30 days from the date rendered as shown on the bill, the rates will include interest charges of 1.25% per month, or part thereof.

Each bill shall show the amount payable within 30 days from the date rendered as shown on the bill.

In this Schedule, the term "Utility" means the Debert Water Utility of the Municipality of the County of Colchester.

1. **RATES:**

(a) <u>Base Charges</u>	<u>Quarterly</u>
<u>Metered</u>	
5/8"	\$ 81.62
3/4"	118.85
1"	193.31
1.5"	379.47
2"	602.87
3"	1,198.58
4"	1,868.76
6"	3,730.38
8"	6,708.96

(b) **Consumption Rates**

Consumption Rate: \$8.13 per 1,000 gallons
\$1.79 per cubic metre

(b) Unmetered Rate \$203.34 per quarter
(based on 272 c.m./yr.)

(c) Minimum Bills

The minimum bill shall be the base charge.

2. PUBLIC FIRE PROTECTION RATE

The Municipality of the County of Colchester shall pay annually to the Debert Water Utility for fire protection services, on or before September 30, 2011, the sum of \$80,363.

3. RATES FOR SPRINKLER SYSTEMS

Each building having a sprinkler system installed shall pay annually for the service as follows:

Each building served by a sprinkler service
pipe of 6" diameter or less \$200.00.

Each building served by a sprinkler service
pipe of 8" diameter \$300.00.

4. WATER FOR BUILDINGS OR WORKS UNDER CONSTRUCTION

The Utility may furnish water to any person requiring a supply thereof for the construction of a building or other works. This person shall deposit with the Utility such sum as may be determined by the Utility as is sufficient to defray the cost of making the necessary connection to water services or main together with the cost of the meter to be installed to measure the water consumed. Upon completion of the work and the return of the meter to the Utility, a refund will be made after deducting the cost, if any, of repairing the meter and of testing the same and payment of the base and connection charges and the consumption rates in respect to such installation.

5. RATES FOR WATER SUPPLIED FROM FIRE HYDRANTS

Whenever the use of any fire hydrant is desired for supplying water for any purpose, excepting those of the Fire Department for fire use, the Utility may grant a permit containing such terms and conditions as it may provide, including arrangements regarding supervision of the opening and closing of the hydrant and a service charge for commercial consumers of \$60.00 for connection and

disconnection and a consumption charge for the amount of water used as estimated by the Utility, at meter consumption rates.

6. PRIVATE HYDRANTS

Per Hydrant per year \$200.00.

7. CHARGES FOR RE-ESTABLISHING WATER SERVICE

When water service has been suspended for any violation of the Rules and Regulations of the Utility, such water service shall not be re-established until a reconnection charge of \$50.00 has been paid to the Utility. If reconnection is outside of regular working hours, the charge is \$100.00

8. CONNECTION FEE

The Utility shall charge a \$50.00 fee for the creation of a water account, notwithstanding the fact that no physical disconnection of the system may have occurred.

9. DISCONNECTION FEE

Whenever a customer, for any reason requests that the water be turned off from any premises, a charge of \$50.00 shall be made for turning off the water, and no additional charge shall be made for turning it on again when this is requested unless such request is after regular working hours of the Utility when a fee of \$100.00 shall apply.

10. CHARGE FOR NON-NEGOTIABLE CHEQUES

The Utility may charge a \$25.00 administration fee for cheques that, due to non-negotiability, have been rejected by the Utility's bank.

11. CHARGE FOR MISSED APPOINTMENT BY CUSTOMER

Where an appointment has been made by a customer to have a water service hooked up or a meter inspected, or water turned on to the property, or other visits to the property for the inception of maintenance of water service to the property, and the customer fails to keep the appointment or the plumbing is not completed to allow for installation of a water meter and the Utility's staff have to return to the property, there may be a charge of \$25.00 for each visit if, in the judgment of the Utility, it is required.

SCHEDULE "B"

**MUNICIPALITY OF THE COUNTY of COLCHESTER
DEBERT WATER UTILITY**

SCHEDULE OF RATES FOR WATER AND WATER SERVICES

(Effective for water supplied on and after April 1, 2012)

RATES

The rates set out below are the rates approved by the Board for water and water services when payment is made within 30 days from the date rendered as shown on the bill.

When payment is made after 30 days from the date rendered as shown on the bill, the rates will include interest charges of 1.25% per month, or part thereof.

Each bill shall show the amount payable within 30 days from the date rendered as shown on the bill.

In this Schedule, the term "Utility" means the Debert Water Utility of the Municipality of the County of Colchester.

1. **RATES:**

(a) <u>Base Charges</u>	<u>Quarterly</u>
<u>Metered</u>	
5/8"	\$ 87.50
3/4"	127.62
1"	207.87
1.5"	408.50
2"	649.24
3"	1,291.23
4"	2,013.47
6"	4,019.69
8"	7,229.65

(b) **Consumption Rates**

Consumption Rate: \$8.83 per 1,000 gallons
 \$1.94 per cubic metre

(b) Unmetered Rate \$219.42 per quarter
(based on 272 c.m./yr.)

(c) Minimum Bills

The minimum bill shall be the base charge.

2. PUBLIC FIRE PROTECTION RATE

The Municipality of the County of Colchester shall pay annually to the Debert Water Utility for fire protection services, on or before September 30, 2012, the sum of \$91,344.

3. RATES FOR SPRINKLER SYSTEMS

Each building having a sprinkler system installed shall pay annually for the service as follows:

Each building served by a sprinkler service
pipe of 6" diameter or less \$200.00.

Each building served by a sprinkler service
pipe of 8" diameter \$300.00.

4. WATER FOR BUILDINGS OR WORKS UNDER CONSTRUCTION

The Utility may furnish water to any person requiring a supply thereof for the construction of a building or other works. This person shall deposit with the Utility such sum as may be determined by the Utility as is sufficient to defray the cost of making the necessary connection to water services or main together with the cost of the meter to be installed to measure the water consumed. Upon completion of the work and the return of the meter to the Utility, a refund will be made after deducting the cost, if any, of repairing the meter and of testing the same and payment of the base and connection charges and the consumption rates in respect to such installation.

5. RATES FOR WATER SUPPLIED FROM FIRE HYDRANTS

Whenever the use of any fire hydrant is desired for supplying water for any purpose, excepting those of the Fire Department for fire use, the Utility may grant a permit containing such terms and conditions as it may provide, including arrangements regarding supervision of the opening and closing of the hydrant and a service charge for commercial consumers of \$60.00 for connection and

disconnection and a consumption charge for the amount of water used as estimated by the Utility, at meter consumption rates.

6. PRIVATE HYDRANTS

Per Hydrant per year \$200.00.

7. CHARGES FOR RE-ESTABLISHING WATER SERVICE

When water service has been suspended for any violation of the Rules and Regulations of the Utility, such water service shall not be re-established until a reconnection charge of \$50.00 has been paid to the Utility. If reconnection is outside of regular working hours, the charge is \$100.00

8. CONNECTION FEE

The Utility shall charge a \$50.00 fee for the creation of a water account, notwithstanding the fact that no physical disconnection of the system may have occurred.

9. DISCONNECTION FEE

Whenever a customer, for any reason requests that the water be turned off from any premises, a charge of \$50.00 shall be made for turning off the water, and no additional charge shall be made for turning it on again when this is requested unless such request is after regular working hours of the Utility when a fee of \$100.00 shall apply.

10. CHARGE FOR NON-NEGOTIABLE CHEQUES

The Utility may charge a \$25.00 administration fee for cheques that, due to non-negotiability, have been rejected by the Utility's bank.

11. CHARGE FOR MISSED APPOINTMENT BY CUSTOMER

Where an appointment has been made by a customer to have a water service hooked up or a meter inspected, or water turned on to the property, or other visits to the property for the inception of maintenance of water service to the property, and the customer fails to keep the appointment or the plumbing is not completed to allow for installation of a water meter and the Utility's staff have to return to the property, there may be a charge of \$25.00 for each visit if, in the judgment of the Utility, it is required.

SCHEDULE "C"

MUNICIPALITY OF THE COUNTY of COLCHESTER
DEBERT WATER UTILITY

SCHEDULE OF RATES FOR WATER AND WATER SERVICES

(Effective for water supplied on and after April 1, 2011)

RATES

The rates set out below are the rates approved by the Board for water and water services when payment is made within 30 days from the date rendered as shown on the bill.

When payment is made after 30 days from the date rendered as shown on the bill, the rates will include interest charges of 1.25% per month, or part thereof.

Each bill shall show the amount payable within 30 days from the date rendered as shown on the bill.

In this Schedule, the term "Utility" means the Debert Water Utility of the Municipality of the County of Colchester.

1. RATES:

(a) <u>Base Charges</u>	<u>Quarterly</u>
<u>Metered</u>	
5/8"	\$ 90.78
3/4"	132.49
1"	215.92
1.5"	424.49
2"	674.77
3"	1,342.18
4"	2,093.09
6"	4,178.68
8"	7,515.75

(b) Consumption Rates

Consumption Rate: \$9.20 per 1,000 gallons
\$2.03 per cubic metre

(b) Unmetered Rate \$228.82 per quarter
(based on 272 c.m./yr.)

(c) Minimum Bills

The minimum bill shall be the base charge.

2. PUBLIC FIRE PROTECTION RATE

The Municipality of the County of Colchester shall pay annually to the Debert Water Utility for fire protection services, on or before September 30, 2013, the sum of \$103,358, or

For subsequent years, the annual public fire protection rate shall be based on:

a) The sum of 45.6% of transmission and distribution, taxes and depreciation expenses of the Utility and return on rate base of the immediately preceding year, plus;

b) 10% of all other expenses,

whichever is greater.

3. RATES FOR SPRINKLER SYSTEMS

Each building having a sprinkler system installed shall pay annually for the service as follows:

Each building served by a sprinkler service pipe of 6" diameter or less \$200.00.

Each building served by a sprinkler service pipe of 8" diameter \$300.00.

4. WATER FOR BUILDINGS OR WORKS UNDER CONSTRUCTION

The Utility may furnish water to any person requiring a supply thereof for the construction of a building or other works. This person shall deposit with the Utility such sum as may be determined by the Utility as is sufficient to defray the cost of making the necessary connection to water services or main together with the cost of the meter to be installed to measure the water consumed. Upon completion of the work and the return of the meter to the Utility, a refund will be made after deducting the cost, if any, of repairing the meter and of testing the

same and payment of the base and connection charges and the consumption rates in respect to such installation.

5. RATES FOR WATER SUPPLIED FROM FIRE HYDRANTS

Whenever the use of any fire hydrant is desired for supplying water for any purpose, excepting those of the Fire Department for fire use, the Utility may grant a permit containing such terms and conditions as it may provide, including arrangements regarding supervision of the opening and closing of the hydrant and a service charge for commercial consumers of \$60.00 for connection and disconnection and a consumption charge for the amount of water used as estimated by the Utility, at meter consumption rates.

6. PRIVATE HYDRANTS

Per Hydrant per year \$200.00.

7. CHARGES FOR RE-ESTABLISHING WATER SERVICE

When water service has been suspended for any violation of the Rules and Regulations of the Utility, such water service shall not be re-established until a reconnection charge of \$50.00 has been paid to the Utility. If reconnection is outside of regular working hours, the charge is \$100.00

8. CONNECTION FEE

The Utility shall charge a \$50.00 fee for the creation of a water account, notwithstanding the fact that no physical disconnection of the system may have occurred.

9. DISCONNECTION FEE

Whenever a customer, for any reason requests that the water be turned off from any premises, a charge of \$50.00 shall be made for turning off the water, and no additional charge shall be made for turning it on again when this is requested unless such request is after regular working hours of the Utility when a fee of \$100.00 shall apply.

10. CHARGE FOR NON-NEGOTIABLE CHEQUES

The Utility may charge a \$25.00 administration fee for cheques that, due to non-negotiability, have been rejected by the Utility's bank.

11. CHARGE FOR MISSED APPOINTMENT BY CUSTOMER

Where an appointment has been made by a customer to have a water service hooked up or a meter inspected, or water turned on to the property, or other visits to the property for the inception of maintenance of water service to the property, and the customer fails to keep the appointment or the plumbing is not completed to allow for installation of a water meter and the Utility's staff have to return to the property, there may be a charge of \$25.00 for each visit if, in the judgment of the Utility, it is required.

SCHEDULE "D"

MUNICIPALITY OF THE COUNTY OF COLCHESTER DEBERT WATER UTILITY

SCHEDULE OF RULES AND REGULATIONS GOVERNING THE SUPPLY OF WATER AND WATER SERVICES

(Effective July 6, 2011)

1. In these Rules and Regulations, unless the context otherwise requires, the expression:

"Municipality" means the Municipality of the County of Colchester.

"Utility" means the Debert Water Utility of the Municipality of the County of Colchester.

"Customer" means a person, firm or corporation who, or which, contracts to be supplied with water at a specific location or locations.

"Domestic Service" means the type of service supplied to the owner or his authorized agent or to the occupant or tenant of any space or area occupied for the distinct purpose of a dwelling house, rooming house, apartment, flat, etc.

"Metered Rate Service" means that type of service charged for at metered rates and is supplied to customers other than those supplied by fixture and flat rate service. Metered rate service is required for all new services.

"Flat Rate Service" means that type of unmetered service charged for at a flat rate.

2. **Liability for Payment of Water Bill:** An agreement is deemed to exist between a customer and the Utility for the supply of water service at such rates and in accordance with these Regulations by virtue of:
 - (a) the customer applying for and receiving approval for water service;
 - (b) the customer consuming or paying for water service from the date that the customer who is a party to an agreement pursuant to clause (a) (the customer of record) moves out of the premises, in which case the customer of record shall remain jointly and severally liable for the water service account up to the date the Utility is notified that the customer of record wishes to terminate the supply of water service.

At the discretion of the Utility, a property owner who rents or leases a property or self-contained unit to a tenant or lessee may be required to open an account for the provision of water at the property rented or leased.

- (c) Any person, business or corporation that receives water service without the consent of the Utility, shall be liable for the cost of such water service which cost shall be determined in the sole discretion of the Utility based upon its reasonable estimate of the amount of water utilized.
3. **Deposits:** When required, an applicant for service shall deposit with the Utility a sum equal to the estimated charges for service for a period of six months. The estimated charges will be based on the minimum bill for metered customers. This deposit shall be held by the Utility as collateral security for the payment of the customer's bills, but is not to be considered as a payment on account thereof. When such customer ceases to use the service and discharges all his liability to the Utility in respect of such service, the deposit shall be returned to him, with interest at the rate of interest obtained by the Municipality of the County of Colchester on its surplus cash balance on deposit with its baker as at March 31 of each fiscal year, not compounded.
 4. **Refusal of Service:** Service may be refused or suspended to any customer who has failed to discharge all of his liabilities to the Utility.
 5. **Payment of Bills:** Bills shall be rendered to each customer at intervals of approximately three months and are due and payable when rendered. Bills not paid within thirty (30) days of the date rendered shall incur an interest charge of 1.25% per month, or part thereof.
 6. **Adjustment of Bills:**
 - (a) Where meters exist – If the seal of a meter is broken or if a meter does not register correctly, the bill for that water service shall be estimated in accordance with the best data available. Any customer desiring to question a water bill must do so in writing within 30 days of the bill being rendered.
 - (b) Customers under billed – Should it be necessary for the Utility to make a billing adjustment as a result of a customer being under billed for any reason, such adjustment shall be retroactive for a maximum of four billing periods or one year, whichever is the longest. Notwithstanding the above, in the event that a billing adjustment is the result of the customer's illegal connection to the water system or wilful interference or damage of metering equipment (where they exist), the billing adjustment in such circumstances will not be limited to one year or four billing periods, but rather the customer shall be responsible for all payments of such accounts

from the date such illegal connection or interference to meter equipment took place.

- (c) Customer over billed – Shall it become necessary for the Utility to make a billing adjustment as a result of a customer being over billed for any reason, such adjustment will be estimated by the Utility, and the Utility will be responsible for payment of the over billed amount with interest calculated on the basis of current simple interest paid by the bank.
7. **Estimated Readings for Billing Purposes - Metered Customers:** If the Utility is unable to obtain a meter reading for billing purposes, after exercising due diligence in the usual practice of meter reading, the bill for that service shall be estimated in accordance with the best data available, subject, however, to the provision that in no circumstance will an estimated reading be used for more than two (2) consecutive billing periods. If an estimated bill is rendered for two (2) consecutive billing periods, the Utility shall notify the customer by regular mail that arrangements must be made for the Utility to obtain a reading and, failing such arrangements, the Utility may suspend service until such arrangements are made. When such meter reading has been obtained, the previous estimated bill or bills shall be adjusted accordingly.
8. **Suspension of Service for Non-Payment Bills:** The Utility shall have the right to enter onto customers' premises within reasonable hours to suspend service to customers whose bills remain unpaid for more than forty calendar days after the date rendered. The customer shall pay the sum of \$50.00 (HST extra) for reconnecting after each suspension. If reconnection is made after regular working hours, the charge shall be \$100.00 (HST extra).
9. **Public Fire Protection Service Charge:** The Utility shall annually render to the Municipality of the County of Colchester, not later than the last day of August, an account for fire protection service as approved by the Nova Scotia Utility and Review Board. The account shall be payable within thirty (30) days of the date rendered.
10. **Water to be Supplied by Meter:** The Utility may at any time install a meter on the premises of any customer. The Utility shall determine the size and type of meter to be installed in each case. All meters shall be the property of the Utility.
11. **Installation and Removal of Meters:** Meters shall be installed and removed only by employees or duly authorized representatives of the Utility and no other person shall install, alter, change or remove a meter without the written permission of the Utility. The plumbing and connections shall be properly prepared to receive the installation of such meters to the approval of and without expense to the Utility.

12. **Meter Readers:** Each Meter Reader shall be provided with an official identification, which he/she shall exhibit on request.
13. **Access to Customer's Premises:** Representatives of the Utility shall have right of access to all parts of a customer's property or premises at all reasonable hours for the purpose of inspecting any water pipes or fittings, or appliances, or discontinuing service, or for the purpose of installing, removing, repairing, reading or inspecting meters. The Utility shall have the right to suspend service to any customer who refuses such access.
14. **Location of Meters:** The Utility shall have the right to refuse service to, or suspend the service of, any customer who does not provide a place which, in the opinion of the Utility, is suitable for the meter. It should be in the building served, at or near the point of entry of the service pipe, in a place where it can be easily read and where it will not be exposed to freezing temperatures.

Where the premises of a customer are of such a nature that a meter cannot be properly installed in a building, or if the building is not sufficiently frost-proof as to guarantee the safety of the meter, the Utility may order the construction of a suitable frost-proof box in which the meter can be installed. Service to such premises may be refused or suspended until such a frost-proof box approved by the Utility is installed.

15. **Damage to Water Meters:** Each customer shall be responsible for the meter installed on his service and shall protect it. He shall be liable for any damage to the meter resulting from carelessness, hot water or steam, or the action of frost or from any other cause not the fault of the Utility or its employees. The cost to the Utility occasioned by such damage to the meter shall be paid by the customer. If, after the rendering of a bill by the Utility to the customer for such cost, the same is not paid within 40 days from the date rendered, the supply of water to the customer concerned may be suspended until all charges are paid.
16. **Meter Testing:** On the request to have their meter tested, the Utility may charge the sum of \$50.00 (HST extra) to defray in part the cost of making the test for meters up to 1½ inches in size. In the case of meters 1½ inches and larger, the actual cost of the test will be paid by the customer. If the test shows that the meter is over registering by more than one and one-half percent (1½%) for positive displacement meters and three percent (3%) for turbine or compound meters, the sum so deposited will be refunded to the customer

17. **Plumbing to be Satisfactory:** All plumbing, pipes and fittings, fixtures, and other devices for conveying, distributing, controlling, or utilizing water, which are used by a customer and are not the property of the Utility, shall be installed in the manner provided by the Regulations of and be approved by the proper official of the Municipality and/or the operators of the Utility. The water shall not be turned on (except for construction or testing purposes) until the applicant for service has satisfied the Utility that these requirements have been met. The supply of water may be discontinued to any customer at any time if, in the opinion of the proper official of the Municipality and/or the operators of the Utility the plumbing, pipes, fittings, fixtures or other devices as hereinbefore mentioned, or any of them, fail to comply with the above requirements, or if any part of the water system of such customer or the meter is in any unsuitable, dirty, unsanitary, or inaccessible place. Service shall not be re-established until such condition is corrected to the satisfaction of the Utility.
18. **Remote Registering Water Meters:** When a remote registering water meter is installed on a customer's premises under a general outside register installation program of the Utility, then the cost of the meter and its installation shall be paid by the Utility. The meter shall become the property of the Utility which shall become responsible for its operation, maintenance and replacement. Any damage to the meter caused by the negligence or wrongful acts or omissions by the customer, his agents or members of his family, shall be paid for by the customer, and the failure by the customer to make the payment shall entitle the Utility, after making a forty day written demand for the payment, to disconnect the water service to the customer.
19. **Cross Connection Control and Backflow Prevention:**
- (a) No owner, customer or other person hereinafter collectively referred to in this rule and regulation as "person" shall connect, cause to be connected, or allow to remain connected to the water system, or plumbing installation, without the express written consent of the Utility, any piping fixtures, fittings container or appliance in a manner which, under any circumstances, may allow water, wastewater, or any other liquid, chemical or substance, to ingress or egress the water system.
 - (b) Where, in the opinion of the Utility, there may be a risk of contamination to the potable water system, notwithstanding the provisions of subparagraph (a), the Utility may require the customer, at the customer's sole cost and expense, to install at any point on the customer's water service connection or water service pipe, one or more backflow prevention (BFP) devices, which devices shall be of a quality and type approved by the Utility.
 - (c) All BFP devices shall be maintained in good working order. Such devices must be inspected and tested by a certified tester, approved by the Utility, at the expense of the customer. Such inspections shall take place upon

installation, and thereafter annually, or more often if required by the Utility. The customer shall submit a report in a form approved by the Utility on any or all tests performed on a BFP device within 30 days of a test. A record card shall be displayed on or adjacent to the BFP device on which the tester shall record the name and address of the owner of the device; the location, type, manufacturer, serial number and size of the device; and the test date, the tester's initials, the tester's name, the name of his employer, and the tester's license number.

- (d) Installation, maintenance, field-testing and selection of all BFP devices shall fully conform to the latest revision of CSA B64.10 and CSA B64 series.
 - (e) In the event of any breach, contravention or non-compliance by a person of any of the provision and regulations in sub-paragraphs (a), (b), (c), or (d), the Utility may:
 - (i) suspend water service to such person, or
 - (ii) give notice to the person to correct the breach, contravention or non-compliance within 96 hours, or a specified lesser period. If the person fails to comply with such notice, the Utility may immediately thereafter suspend water service to such person.
29. **Dangerous Connections**: No connection shall be permitted to any installation; equipment or source in such a manner as may allow any contamination to pass from such installation, equipment or source into the Utility's water supply system. If any such connection exists, the Utility may discontinue the supply of water to such customer.
21. **Prohibited Devices**: Service may be refused or suspended by the Utility to any customer who installs or uses any device or appurtenance as, for example, booster pumps, quick-opening or quick-closing valves, flushometers, water operated pumps or siphons, standpipes, or large outlets for supplying locomotives or ships, etc., which may occasion sudden large demands of short or long duration, thereby requiring oversize meters and pipelines, or affect the stability or regulation of water pressure in the Utility's system. Permission to install or use any such device or appurtenance must be obtained from the Utility, which permission shall specify what special arrangements, such as elevated storage tanks, surge tanks or equalizing tanks, etc., must be provided by the customer.
22. **Improper Use or Waste of Water**: No customer shall permit the improper use or waste of water, nor shall he sell or give water to any person except upon such conditions and for such purposes as may be approved in writing by the Utility.

23. **Service Pipes**: Upon receipt of an application for service to any premises located on any portion of a street through which portion a main water pipe is laid and which premises are not already provided with water service, the Utility shall install a service pipe which it considers to be of suitable size and capacity. No pipe smaller than $\frac{3}{4}$ " in diameter shall be laid for any service.

The cost of supplying and laying a $\frac{3}{4}$ " service pipe and fittings including the necessary excavation for the laying of the service pipe, backfilling, and replacement of the street and sidewalk surfaces from the water main in the street to the street line shall be done by the Utility or its contractor at a fixed fee of \$4,000 to the customer for the year 2011/12. For the year 2012/13 and subsequent years the fixed fee shall be \$5,500. In cases where boring/auguring under the street is required by Nova Scotia Transportation and Infrastructure Renewal, the fee shall be the actual cost of the installation. From the street line to the premises, all costs shall be paid by the customer.

For services larger than $\frac{3}{4}$ " the whole cost shall be borne by the customer.

Should any person make application for more than one service to his premises, the decision as to the necessity of the additional service shall be made by the Utility and if additional service is installed, the total cost thereof from the main to the customer's premises shall be paid by such applicant.

All services must be installed in accordance with the Rules and Regulations of the Municipality and to the satisfaction of the Utility.

When a service has been installed without objection from the customer as to the location of the same, no subsequent removal of or alteration to the position of the pipe shall be made except at the expense of the customer requesting such removal or alteration.

24. **Repairs to Service**: If a leak or other trouble occurs it shall be repaired as soon as possible. If the leak or trouble occurs in a service line providing non-fire protection water supplies between the main and the property line, it shall be repaired by the Utility at its expense. If the leak or trouble occurs elsewhere in a service line providing non-fire protection water supplies, it shall be repaired by the customer at his/her expense.

If the leak or trouble occurs in a service line which provides private fire protection services (sprinkler or hydrant) it shall be repaired by the customer at his expense.

The Utility may make such repairs for any customer provided the customer agrees to pay the cost of same. When required, each customer desiring the Utility to do such work shall deposit with the Utility a sum equal to the estimated cost of the work.

If a leak occurs on the customer's portion of his service pipe and, after being notified of same, he refuses or unduly delays to have repairs made, the Utility may discontinue the supply of water to such service pipe if, in its opinion, such action is necessary in order to prevent wastage of water. The Utility shall notify the customer affected of its intention to discontinue such supply.

25. **Unauthorized Extensions, Additions or Connections:** No person shall, without the written consent of the Utility, make or cause to be made any connections to any pipe or main or any part of the water system or in any way obtain or use water therefrom in any manner other than as set out in these Regulations.
26. **Special Service Charge:** A special service charge of \$50.00 (HST extra) (\$100.00 [HST extra] if such work is performed after regular working hours) shall be made to each customer receiving a necessary or requested service, such as the shutting off or turning on of water service or other special services not provided for elsewhere in these regulations. In the case where the shutting off is requested because there is no operable shut off valve serving the dwelling, an isolation valve must be installed.
27. **Season for Laying Pipes:** The Utility shall not be required to lay any pipe at any season of the year or at any time which, in its opinion, is not suitable.
28. **Private Fire Protection:** Fire protection lines within buildings shall be installed so that all pipes will be open and readily accessible for inspection at any time, and no connection for any purpose other than fire protection shall be made thereto. Unless approved by the Utility in writing, no fire protection line shall be connected in any way to a metered service.
29. **Liability of Utility:** The Utility shall not be deemed to guarantee an uninterrupted supply or a sufficient or uniform pressure and shall not be liable for any damage or injury caused or done by reason of the interruption of supply, variation of pressure or on account of the turning off or turning on of the water for any purpose.
30. **Interference With Utility Property:** No person, unless authorized by the Utility in writing, shall draw water from, open, close, cut, break, or in any way injure or interfere with any fire hydrant, water main, water pipe, or any property of the Utility or obstruct the free access to any hydrant, stop cock, meter, building, etc. provided, however, that nothing in this paragraph contained shall be deemed to prevent an officer or member of the Fire Department engaged in the work of such Department, from using any hydrant or other source of water supply of the Utility for such purpose.

31. **Suspending Service for Violation:** Whenever, in the opinion of the Utility, violation of any of these Rules and Regulations is existing or has occurred, the Utility may cause the water service to be suspended from the premises where such violation has occurred or is existing and may keep the same so suspended until satisfied that the cause for such action has been removed.
32. **Resumption of Service:** In all cases where water service has been suspended for violation of any of these rules, service shall not be restored until the cause for violation has been removed and a \$50.00 (HST extra) reconnection charge (\$100.00 [HST extra] if reconnection is completed outside of regular working hours) has been paid.
33. **Requests for Connection or Reconnection:** A charge of \$100.00 (HST extra) will be paid for water service connected or reconnected outside of regular working hours.
34. **Sprinkler Service Mains and Hydrant System:** The customer shall be responsible for the cost of installing and maintaining a sprinkler service pipe from the main in the street to the building. It shall include a proper size control valve so that the service may be shut off if necessary. If requested by the applicant, a domestic service pipe may be connected to the sprinkler service pipe, but only if it is connected outside the building foundation wall and is provided with an approved shutoff valve located outside the building to permit control of the domestic service pipe without the necessity to enter the building. Before any domestic service pipe is connected to a sprinkler service pipe, the applicant must obtain approval from the appropriate authority and provide the Utility with a certified copy of such approval. The Utility shall supervise the installation of same. When the private fire protection system includes private hydrants, these hydrants must be flushed during the Utility's regular flushing periods, under the supervision of the Utility's personnel. These hydrants shall be maintained in a manner, or on a regular basis as approved by the Utility.
35. **Pressure Reducing Valves:** Where, in the opinion of the Utility, it is necessary for proper water service, a customer shall install on the service pipe, between the meter and the shut off valve on the supply side of the meter, a pressure reducing valve of a type satisfactory to the Utility. The customer shall be responsible for the cost of installing and maintaining the pressure reducing valve at all times.
36. **Pressure Relief Valves:** Whenever a pressure reducing valve has been installed by a customer in accordance with Regulation 35, the customer shall, for his own safety and protection, install on his hot water boiler and any other hot water heating device connected to the building's plumbing system, a pressure relief valve of an approved type, as well as an approved temperature limiting device. It shall be the customer's responsibility to maintain and keep in service the pressure relief valve at all times.

37. **Water Conservation Directives:** The Utility may enact conservation of water directives to its customers if in the opinion of the Utility such directives will permit the Utility to provide a reliable, continuous water supply to all customers served by the Utility.

During such times as these directives may be enacted, customers who do not comply with the directives may have the water supply suspended until such time as the customer will agree to comply with the directive or upon suspension of the water conservation directive, whichever occurs first.

In the event that water is temporarily suspended for non-compliance of a water conservation directive, the cost of turning on the service will be billed to the customer as per Regulation 32.

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF THE *PUBLIC UTILITIES ACT*

- and -

IN THE MATTER OF AN APPLICATION of the **MUNICIPALITY OF THE COUNTY OF COLCHESTER**, on behalf of the **Debert Water Utility**, for Approval of Amendments to its Schedule of Rates and Charges for Water and Water Services and its Schedule of Rules and Regulations

BEFORE: Murray E. Doehler, CA, P.Eng., Member

APPEARING: **MUNICIPALITY OF THE COUNTY OF COLCHESTER**

Gerry A. Isenor, P.Eng.
G.A. Isenor Consulting Limited

William H. Gates, MBA, P.Eng.
W.H. Gates Utility Consultants Ltd.

Bruce E. Purchase, CGA
Director of Corporate Services

Donna Campbell
Finance Manager

Ramesh K. Ummat, M.Eng., P.Eng.
Director of Public Works

HEARING DATE: May 3, 2011

FINAL SUBMISSIONS: May 13, 2011

DECISION DATE: **July 6, 2011**

DECISION: **Schedule of Rates and Charges approved, as amended.
Schedule of Rules and Regulations approved.**

I SUMMARY

[1] The Municipality of the County of Colchester (the "Municipality", the "County") applied to the Nova Scotia Utility and Review Board (the "Board") on behalf of the Debert Water Utility (the "Utility", the "Applicant") for amendments to its Schedule of Rates and Charges for Water and Water Services and Schedule of Rules and Regulations pursuant to the *Public Utilities Act* (the "Act"), R.S.N.S. 1989, c. 380 as amended. The service area of the Debert Water Utility consists of Colchester Park, which includes the former base (CFS Debert) and housing in the area, and the Debert Air Industrial Park ("DAIP"), which mainly consists of businesses. The existing Schedule of Rates for Water and Water Services and Schedule of Rules and Regulations have been in effect since April 1, 2010, and March 1, 2009, respectively.

[2] A rate study to support the Application, dated December 11, 2010, was prepared by G.A. Isenor Consulting Limited in association with W.H. Gates Utility Consultants Ltd. and was submitted to the Board on February 8, 2011 (Exhibit D-2) (the "Rate Study"). The Applicant's presentation during the public hearing was based on this.

[3] The Application proposes rates for the years 2011/12, 2012/13 and 2013/14 (the "Test Years"). The proposed increases for the unmetered customers, based on an annual consumption of 272 cubic metres, are 10.2%, 8.0% and 4.0%, respectively for each of the test years. The proposed increases for all metered services, (i.e., 5/8" to 3"), based upon average consumption for each meter size, range from 7.9% to 12.2% in 2011/12, 7.8% to 8.3% in 2012/13 and 4.0% to 4.1% in 2013/14.

[4] The Application also proposes amendments to the annual public fire protection charge to be paid by the Municipality to the Utility. The current annual fire protection charge is \$62,058 and it is proposed to be \$80,363 in 2011/12, \$91,344 in 2012/13 and \$103,358 in 2013/14.

[5] The public hearing was held at the Debert Hospitality Centre on May 3, 2011, after due public notice. Gerry A. Isenor, P.Eng., of G.A. Isenor Consulting Limited, and William H. Gates, MBA, P.Eng., of W.H. Gates Utility Consultants Ltd., represented the Utility. The Utility was also represented by Municipal staff, Bruce E. Purchase, CGA, Director of Corporate Services; Ramesh K. Ummat, M.Eng., P.Eng., Director of Public Works; and Donna Campbell, Finance Manager. While the Board did not receive any letters of comment, a number of residents attended and aired their concerns during the hearing.

[6] A rate increase is approved, as advertised and proposed with an amended start date. The Rules and Regulations are approved, as requested by the Utility.

II INTRODUCTION

[7] The Utility's source of supply is groundwater from three wells. The water is disinfected through chlorination at each of the wellhead facilities. The system has two storage tanks with capacities of 3.4 million litres and 4.5 million litres. Due to initiatives undertaken by management, the Utility indicated that the non-revenue water has been reduced to 32% in 2010 from the 40% level reported during the last rate application in 2008, despite the age of the water distribution system.

[8] In order to comply with the provisions of the Nova Scotia Environment's ("NSE") 'A Drinking Water Strategy for Nova Scotia' (the "Drinking Water Strategy"), the document - System Assessment Report for Debert Air Industrial Park Wellfield and Water Distribution System' (the "System Assessment") was prepared by CBCL Limited in April 2005 and filed as a part of the responses to Information Requests ("IRs") in the last Rate Application in 2008. The System Assessment identified deficiencies in the current system's infrastructure which needed to be addressed.

[9] A Groundwater Under the Direct Influence of Surface Water ("GUDI") assessment was conducted to address some of these deficiencies. It has been determined that one of the Utility's source wells is potentially GUDI and this has been shut down. The Applicant confirmed that other than the items identified in relation to the GUDI assessment, the recommendations in the System Assessment Report have been addressed or are in the process of being addressed.

[10] The Applicant currently serves 186 customers. The commercial customers located in DAIP are all metered. There are 18 unmetered customers, of which 10 are in the Debert Incubator Mall that cannot be metered without extensive work and cost. The cost of metering customers that can be metered is included in the Rate Study. The Application projects that there will be a slight growth in the number of customers to 195 by the end of the Test Years.

[11] The Application was presented to the Board based upon the need to adjust the current base charges and consumption charges due to increased operating costs and the capital program as set out in the Rate Study.

III REVENUE REQUIREMENTS

1. Operating Revenues and Expenses

[12] The Rate Study indicates that the Utility had an excess of revenues over expenditures for the 2009/10 fiscal year of \$73,426 and an accumulated operating deficit as of March 31, 2010, of \$2,188. While the financial statements for the year ended March 31, 2011, were not available at the time of preparing the Application, the Utility projected an excess of expenditures over revenues of \$38,005 and an operating deficit balance as at March 31, 2011 of \$40,193.

[13] The Utility projects that, at current rates, there will be an excess of expenditures over revenues for each of the Test Years resulting in an accumulated operating deficit of \$273,514 at the end of the test period. Mr. Isenor explained the Utility's financial situation during the hearing:

... During the preparation of the rate study, we did a projection of the operating deficit for the Water Utility and we projected an operating deficit in the current year of approximately 38,000, growing to 50,000 the first test year and 80,000 in the second test year to 102,000 in the third test year. That's based on existing rates and the existing customer account with a slight growth in customers in that two residential customers and one one-inch customer. So for those reasons is why we're here today asking for a rate adjustment, because of projected deficits in the operation.

[Transcript, pp. 8-9]

[14] A modest growth in volume has been provided for in the Rate Study, using average consumption rates of existing customers. Mr. Isenor added:

The other thing, as I noted in the opening remarks, is we have allowed for some growth in the system. There hasn't been growth here since the last rate hearing, I will say that, but it is a feeling that we will see some growth, that's overall growth, two residential customers a year and one one-inch customer per year.

[Transcript, p. 17]

[15] The variances for certain cost categories between the actual 2009/10 and the estimated 2010/11 amounts are quite significant. For instance, Water Treatment

expenses are estimated to decrease from \$29,998 in 2009/10 to \$23,247 in 2010/11.

The Applicant noted:

It appears that treatments expenses alone (chlorine) are included in the amount shown for 2010/11. It should have included testing costs which is an additional \$6,000.

[Exhibit D-3, IR-5(a)]

[16] The Utility's Transportation and Distribution expense is projected to increase from \$111,305 in 2009/10 to \$125,872 in 2010/11. In response to IRs, the Applicant stated that this is due to the reallocation of the vehicle expense from Administration to Transmission and Distribution (Exhibit D-3, IR-5(b)).

[17] The Administration and General expense is budgeted to decrease to \$58,327 in 2010/11 from \$74,605 in 2009/10. The Utility explained:

This decrease is due to the reallocation of the vehicle expense and the cost of setting up the new office/shop in Debert which was recorded as miscellaneous general expense.

[Exhibit D-3, IR-5(c)]

[18] The operating expenses contained in the Rate Study are based upon the Utility's budget for the year 2010/11, with projected annual increases of 3% in each of the Test Years, with the exception of Power and Pumping which have been increased by 10% in 2011/12 and 5% in 2012/13 to allow for the recent volatility in the cost of electricity.

[19] The annual depreciation expense is based on the Utility's existing assets and proposed capital projects. Mr. Isenor added:

The depreciation expense that we're carrying, we've based on the projected capital spending of the Utility in the upcoming test years. We've done it using 50 percent of the depreciation in the year in which the capital work is incurred and 50 percent in the year ... in the following year on the assumption that the Utility ... or the improvements being made would be useful for half the year and the remainder would be picked up in the following year.

[Transcript, p.11]

Findings

[20] The Board accepts the Applicant's explanation for the variances between the 2009/10 actual and the 2010/11 budgeted amounts as being reasonable.

[21] For the Test Years, the Board accepts the Utility's explanation of its budgeting process. This includes the methodology used in projecting revenues and expenses as well as the allocation of costs between the Municipality and the Utility. Based upon the information provided, the Board accepts the operating expenses as contained in the Rate Study.

[22] The Board also accepts the assumptions about the increases in customers.

[23] The Board further accepts the depreciation expense, based upon the 50% calculation in the first year of asset acquisition, as contained in the Rate Study.

2. Capital Budget and Funding

[24] The Rate Study includes the Utility's proposed infrastructure additions of \$813,000 in 2011/12, \$135,000 in 2012/13 and \$395,000 in 2013/14. As noted in response to the IRs, the capital projects include those required by the Utility's System Assessment Report (the replacement of Well 1B - \$318,000, and a two-year hydro-geological study \$175,000), a water line extension to service the requirements of new customers (MacElmon Road - \$826,000), and the replacement and/or repair of fire hydrants and other minor service equipment and minor capital water line extensions, totaling \$24,000, to be undertaken within the Test Years. Mr. Isenor described the projected capital program:

In the year ... '11/12, there's significant spending requested and it's in order to bring the Utility up to the provincial standards. Some of it is to replace aging infrastructure and piping but, as well, there's the need for some work at the wells and, in fact, at the well heads to do a proper well head projection plan which occurs in '12/13 after the wells are completed.

[Transcript, p.14]

[25] The total proposed capital budget for the Test Years of \$1,343,000 will be funded from a combination of sources, the bulk of which will come in the form of committed capital cost contributions (\$1,135,517) as detailed in Exhibit D-3, IR-9. The Applicant added:

The funding for the majority of that work is, in fact ... from outside funding. It's gas tax and some from the Province, but ... is a substantial amount of it. ... And, as well, they have a bit of a unique funding source here in the sense that as part of the turn-over of the facility, there was some housing that was turned over that's being sold off over time and, in fact, is being used to ... the capital is being flowed back into the Water Utility to offset the cost of ... the capital cost of some of the improvements. Unfortunately, the Municipality has informed me that that is coming to an end, so ... like all good things, it has to end sooner or later.

[Transcript, p.14]

[26] The balance of the required funding is proposed to come from capital out of revenue (\$10,000 per year throughout the Test Years) and long-term debt (\$49,150 in 2011/12, \$128,333 in 2013/14).

[27] The Rate Study indicates that the balance in the depreciation fund at March 31, 2011, is \$7,385 and the balance will be \$93,424 at the end of the Test Years. There are no planned withdrawals from the depreciation fund for any capital projects.

Findings

[28] The Utility's large capital expenditures are funded largely through committed capital cost contributions from the Province and the Municipality.

[29] The Board notes that the Utility has proposed a capital maintenance program, which includes the replacement and/or refurbishment of fire hydrants and minor components of the distribution system in the capital budget for the Test Years. These initiatives are expected to produce a reduction in the non-revenue water, which will result in reduced operating costs.

[30] The Board finds the proposed capital budgets for each of the Test Years of the Rate Study to be reasonable for the purposes of the Application. The Board approves the proposed funding of the Utility's share of the capital projects through the additional debt and capital out of revenue.

[31] The Utility is reminded that the inclusion of the proposed capital projects in the Rate Study does not constitute Board approval of these projects. Separate Board approval is required for projects in excess of \$250,000 as set out in s. 35 of the *Act*.

3. Non-operating Revenue and Expenditures

[32] In 2009/10 the Utility had a number of non-operating items. As revenue, an item called "Public Fire Protection – Additional" of \$20,024 and a "Grant from the Municipality" in the amount of \$131,336 was reported. For expenditures, there was an entry called "Capital out of Revenue" in the amount of \$80,224. The Utility explained:

... This is, in fact, funds that are placed ... are given really ... given to the Water Utility by the Municipality as a way of offsetting some of the expense on the additional ... on the public fire protection charge and it's done through an area rate system and whatever the balance is that isn't used to pay the direct operating cost of the Utility is, in fact, returned to the Utility as a grant to the Utility for that year. And that's projected to be relatively stable over the three-year period.

There was a significant grant to the Utility in '09/10 from the Municipality of 131,000 to eliminate the deficit for that year. That is hoped that the current operation ... with the new rates, that that grant won't be necessary in the future.

...

... The intent was, I think, to leave it relatively, as you say, cleaned up at the end of it and they did end up with just a \$2000 deficit at the end of that ... the '09/10 year. But rates ... a rate adjustment is required to get it operating on a break-even basis.

[Transcript, pp. 11-13]

[33] In 2010/11, the item "Public Fire Protection – Additional" amounted to \$11,668 and "Capital out of Revenue" stood at \$23,000, representing payment for the Utility's share in the acquisition of a truck (\$13,000) and the cost of the Water Rate Study (\$10,000).

[34] The Rate Study includes the continuation of the payment of "Public Fire Protection – Additional" fees by the Municipality to the Utility each year. This starts from \$11,901 for 2010/11, with a 3% inflation rate applied each year, to \$12,382 in the last Test Year. Aligned with this, "Capital out of Revenue" expenses in the amount of \$10,000 are planned. The Applicant stated:

...we are requesting capital [out of] revenue in the amount of \$10,000 for each of the test years to offset some of the repairs and the ongoing maintenance of the system and to ... not ongoing maintenance but to offset some of the replacement of parts and pieces in the Utility. Given its age, it's subject to some failures at the present time.

[Transcript, p.12]

[35] The non-operating expenses include principal and interest charges related to the Utility's proposed new debt that will be used to partially finance the planned capital expenditures. The 20-year payment schedules for the borrowings, \$49,150 in 2011/12 and \$128,333 in 2013/14, are included in the Application.

[36] The Application also includes dividend payments to the Municipality (referred to as "Dividend to Owner") in the amount of \$10,000 each in 2012/13 and 2013/14. The Applicant explained the rationale for dividends as follows:

The other item that we are asking is for a dividend to the owner for the last two test years, '12/13 and '13/14, and that's being requested because of the accumulated deficit in the Utility. It's understood by us that the Municipality intends to take that dividend and use it

to pay off the accumulated deficit of the Utility, which is projected to be in the order of 40 to \$50,000 by the time the rates are approved by the Board.

[Transcript, p.12]

[37] The Utility's Return on Rate Base for each of 2011/12, 2012/13 and 2013/14 is calculated to be 0.00%, 0.14% and 0.42%, respectively.

Findings

[38] The Board notes the significant grant made by the Municipality to the Utility that eliminated the deficit up to March 31, 2009, and trusts, with new rates, that a further grant will not be needed in the future. While the Municipality and the Utility plan to continue smaller contributions to offset minor repairs and maintenance through "additional fire protection charges", the Board encourages the Utility to include these requirements in the water rates in future rate applications.

[39] The Board also notes that the non-operating expenditure item referred to as "Dividend to Owner" is really an additional revenue load on all ratepayers. As such, this should be more appropriately referred to as "Additional Return on Rate Base"

[40] The Board accepts the calculated Return on Rate Base as it is well within Board guidelines. This Return is sufficient to fund all non-operating expenses, including the Additional Return on Rate Base.

IV ALLOCATION OF REVENUE REQUIREMENTS

1. Public Fire Protection

[41] The methodology used to determine the public fire protection charge is consistent with the Board's *Water Utility Accounting and Reporting Handbook (the*

"Accounting Handbook") as well as the methodology used by the majority of other water utilities in the Province. The Applicant explained:

... We have followed the Board's format, the recommended format and the accounting manual of distributing costs between general service and fire protection service. And as you noted in your opening remarks, what occurs here is that we are seeing the fire protection rate increasing, which one would expect, given how the overall cost of the systems are. We are projecting a fire protection rate of approximately \$80,000 in the current year, the first test year, 91,000 in the second test year, and 103,000 in the third test year. And that ... compares to the 62,000 currently paid for fire protection.

[Transcript, p.15]

[42] The allocations of utility plant in service to fire protection are 45.3%, 44.4% and 45.6%, respectively over each of the Test Years. The fire protection charge, currently \$62,058, is proposed to increase to \$80,363, \$91,344 and \$103,358 over the Test Years.

Findings

[43] The Board approves the methodology used, and the determination of, the public fire protection charges as proposed in the Application.

2. Utility Customers

[44] The remaining revenue requirement, after the allocation to public fire protection charge, is to be recovered from the customers of the Utility. The methodology used to allocate the remainder of the expense items to determine the base and consumption charges is now consistent with the *Accounting Handbook*. Mr. Isenor explained:

On Worksheet C-3, we distributed costs between the base charge and the commodity charge, and I will draw the Board's attention to the depreciation cost which we are recommending a change from the past rate study where it was allocated 100 percent to

base. And we're recommending that it be 40 percent to base, 30 percent to delivery, and 30 percent to production, which is really 60 percent to the price of the commodity.

We're doing that on the basis that we think it ... probably, some of us think it probably should be more aligned that way in all utilities, but the other item is that, in this case here, what we're seeing is the base charge is becoming very high as the percentage of the overall revenue stream. And by doing that, although it offers the Utility good security on their cash flow basis, it does leave the situation where those that conserve water and can demonstrate they use less water, in fact, end up paying a higher proportion of it and so the commodity price goes down as the base charge goes up. So we are recommending that change and, like I said, that was a hundred percent in the previous rate study. And that's for all three test years.

[Transcript, pp.15-16]

[45] The Rate Study indicates that the Utility sells approximately 69,885 cubic metres of water annually to its customers, which is projected to grow to 73,287 cubic metres at the end of the test period.

[46] The Utility currently has a two-block rate structure whereby water is sold at a second-block rate for higher volume customers. However, there is no customer at the second-block level and none is expected in the future. As a result, the Applicant proposes a single block structure which is similar to other water utilities in the Province.

Findings

[47] The Board accepts and approves the methodology used in the allocation of expense items to the base, customer and commodity charges.

[48] The Board further accepts the proposed single block consumption rate structure.

V SUBMISSIONS

[49] Three members of the public attended the hearing.

[50] Michael Taylor, a resident of Debert, led the comments as he asked that the Board consider the impact of the magnitude and the timing of the proposed rate increases on the customers of the Utility. Mr. Taylor also discussed low water pressure issues that were observed in certain service areas. Mr. Ummat responded to his concern at the hearing:

When the new meters are put in, there was ... there's need to have a pressure reducing valve at the meter to avoid excessive water pressures. And, probably, that must be what you are referring to. But this is something which I'll have to talk to the maintenance supervisor ...

[Transcript, p.56]

[51] Phyllis Wilding, another concerned resident of Debert, asked for some clarification on base and usage charges. The Utility responded to her questions at the hearing. Ms. Wilding was also concerned about the affordability of water rates in the future among the residents of Debert.

[52] Heather Horton, another resident, lamented how high the Utility's rates already are when compared to Truro.

Findings

[53] The Board understands that the increases in water rates, as proposed, will financially impact the Utility's customers. The Utility is currently in a slight deficit position, and delaying increases or reducing the rates without proper justification will result in further deterioration of the Utility's financial health. This could cause deterioration in water service and quality, which would be to the detriment of customers.

[54] The Utility may want to send out a letter with one of its billings to explain the base and consumption charges. There seems to be a misunderstanding of just what costs the base charge is meant to recover.

[55] The Board is also concerned about reports of inadequate water pressure in certain service areas of the Utility. The Utility should investigate the reasons for this, and take corrective action where necessary. The Board orders the Utility to file a report on its findings and proposed corrective action, if required, by September 30, 2011.

VI SCHEDULE OF RULES AND REGULATIONS

[56] The response to an IR (IR-16, Exhibit D-3) listed the proposed changes to the Utility's Schedule of Rules and Regulations, which Mr. Isenor described as minor and similar to other water utilities. He added:

... I don't think we had any substantive changes in those, Mr. Chairman, from the last time. In fact, I'm quite sure they're holding pat as from the last time. And just for the Board's interest, those are the same rules and regulations as what we're using in our Schedule of Rates and Charges, what we're using in Tatamagouche, which is within this Municipality, as well. So they have been standardized now. It took a bit to get them both on the same wavelength, but they're both standardized now and using the same common footing

[Transcript, pp.19-20]

[57] There are only two significant changes. The first one relates to a \$50 deposit required for new accounts and that the interest payable on that deposit be reflective of the interest earned by the Utility on its own bank deposits.

[58] The other is Regulation 25, adjusting the fee required for installing new service connections to be more reflective of current costs.

Findings

[59] The Board notes the alignment of Rules and Regulations is to achieve similarity with those used by Tatamagouche Utility that is also within the Municipality.

[60] The Board finds the proposed changes to the Utility's Schedule of Rules and Regulations to be reasonable.

VII CONCLUSION

[61] The Application requests rate increases effective April 1, 2011, April 1, 2012, and April 1, 2013, which are not possible given the timing of the Application and the hearing. The Board approves the Schedule of Rates and Charges for Water and Water Services supplied on and after July 1, 2011, April 1, 2012, and April 1, 2013, with the rates as proposed, and are attached hereto as Schedules "A", "B" and "C".

[62] The Board approves the Schedule of Rules and Regulations, with the proposed revisions, attached hereto as Schedule "D", with an effective date of July 6, 2011.

[63] An Order will issue accordingly.

DATED at Halifax, Nova Scotia, this 6th day of July, 2011.


Murray E. Doehler

SCHEDULE "A"

**MUNICIPALITY OF THE COUNTY of COLCHESTER
DEBERT WATER UTILITY**



SCHEDULE OF RATES FOR WATER AND WATER SERVICES

(Effective for water supplied on and after July 1, 2011)

RATES

The rates set out below are the rates approved by the Board for water and water services when payment is made within 30 days from the date rendered as shown on the bill.

When payment is made after 30 days from the date rendered as shown on the bill, the rates will include interest charges of 1.25% per month, or part thereof.

Each bill shall show the amount payable within 30 days from the date rendered as shown on the bill.

In this Schedule, the term "Utility" means the Debert Water Utility of the Municipality of the County of Colchester.

1. **RATES:**

(a) <u>Base Charges</u>	<u>Quarterly</u>
<u>Metered</u>	
5/8"	\$ 81.62
3/4"	118.85
1"	193.31
1.5"	379.47
2"	602.87
3"	1,198.58
4"	1,868.76
6"	3,730.38
8"	6,708.96

(b) **Consumption Rates**

Consumption Rate: \$8.13 per 1,000 gallons
\$1.79 per cubic metre

(b) Unmetered Rate \$203.34 per quarter
(based on 272 c.m./yr.)

(c) Minimum Bills

The minimum bill shall be the base charge.

2. PUBLIC FIRE PROTECTION RATE

The Municipality of the County of Colchester shall pay annually to the Debert Water Utility for fire protection services, on or before September 30, 2011, the sum of \$80,363.

3. RATES FOR SPRINKLER SYSTEMS

Each building having a sprinkler system installed shall pay annually for the service as follows:

Each building served by a sprinkler service
pipe of 6" diameter or less \$200.00.

Each building served by a sprinkler service
pipe of 8" diameter \$300.00.

4. WATER FOR BUILDINGS OR WORKS UNDER CONSTRUCTION

The Utility may furnish water to any person requiring a supply thereof for the construction of a building or other works. This person shall deposit with the Utility such sum as may be determined by the Utility as is sufficient to defray the cost of making the necessary connection to water services or main together with the cost of the meter to be installed to measure the water consumed. Upon completion of the work and the return of the meter to the Utility, a refund will be made after deducting the cost, if any, of repairing the meter and of testing the same and payment of the base and connection charges and the consumption rates in respect to such installation.

5. RATES FOR WATER SUPPLIED FROM FIRE HYDRANTS

Whenever the use of any fire hydrant is desired for supplying water for any purpose, excepting those of the Fire Department for fire use, the Utility may grant a permit containing such terms and conditions as it may provide, including arrangements regarding supervision of the opening and closing of the hydrant and a service charge for commercial consumers of \$60.00 for connection and

disconnection and a consumption charge for the amount of water used as estimated by the Utility, at meter consumption rates.

6. PRIVATE HYDRANTS

Per Hydrant per year \$200.00.

7. CHARGES FOR RE-ESTABLISHING WATER SERVICE

When water service has been suspended for any violation of the Rules and Regulations of the Utility, such water service shall not be re-established until a reconnection charge of \$50.00 has been paid to the Utility. If reconnection is outside of regular working hours, the charge is \$100.00

8. CONNECTION FEE

The Utility shall charge a \$50.00 fee for the creation of a water account, notwithstanding the fact that no physical disconnection of the system may have occurred.

9. DISCONNECTION FEE

Whenever a customer, for any reason requests that the water be turned off from any premises, a charge of \$50.00 shall be made for turning off the water, and no additional charge shall be made for turning it on again when this is requested unless such request is after regular working hours of the Utility when a fee of \$100.00 shall apply.

10. CHARGE FOR NON-NEGOTIABLE CHEQUES

The Utility may charge a \$25.00 administration fee for cheques that, due to non-negotiability, have been rejected by the Utility's bank.

11. CHARGE FOR MISSED APPOINTMENT BY CUSTOMER

Where an appointment has been made by a customer to have a water service hooked up or a meter inspected, or water turned on to the property, or other visits to the property for the inception of maintenance of water service to the property, and the customer fails to keep the appointment or the plumbing is not completed to allow for installation of a water meter and the Utility's staff have to return to the property, there may be a charge of \$25.00 for each visit if, in the judgment of the Utility, it is required.

SCHEDULE "B"

**MUNICIPALITY OF THE COUNTY of COLCHESTER
DEBERT WATER UTILITY**

SCHEDULE OF RATES FOR WATER AND WATER SERVICES

(Effective for water supplied on and after April 1, 2012)

RATES

The rates set out below are the rates approved by the Board for water and water services when payment is made within 30 days from the date rendered as shown on the bill.

When payment is made after 30 days from the date rendered as shown on the bill, the rates will include interest charges of 1.25% per month, or part thereof.

Each bill shall show the amount payable within 30 days from the date rendered as shown on the bill.

In this Schedule, the term "Utility" means the Debert Water Utility of the Municipality of the County of Colchester.

1. **RATES:**

(a) <u>Base Charges</u>	<u>Quarterly</u>
<u>Metered</u>	
5/8"	\$ 87.50
3/4"	127.62
1"	207.87
1.5"	408.50
2"	649.24
3"	1,291.23
4"	2,013.47
6"	4,019.69
8"	7,229.65

(b) **Consumption Rates**

Consumption Rate: \$8.83 per 1,000 gallons
 \$1.94 per cubic metre

(b) Unmetered Rate \$219.42 per quarter
(based on 272 c.m./yr.)

(c) Minimum Bills

The minimum bill shall be the base charge.

2. PUBLIC FIRE PROTECTION RATE

The Municipality of the County of Colchester shall pay annually to the Debert Water Utility for fire protection services, on or before September 30, 2012, the sum of \$91,344.

3. RATES FOR SPRINKLER SYSTEMS

Each building having a sprinkler system installed shall pay annually for the service as follows:

Each building served by a sprinkler service
pipe of 6" diameter or less \$200.00.

Each building served by a sprinkler service
pipe of 8" diameter \$300.00.

4. WATER FOR BUILDINGS OR WORKS UNDER CONSTRUCTION

The Utility may furnish water to any person requiring a supply thereof for the construction of a building or other works. This person shall deposit with the Utility such sum as may be determined by the Utility as is sufficient to defray the cost of making the necessary connection to water services or main together with the cost of the meter to be installed to measure the water consumed. Upon completion of the work and the return of the meter to the Utility, a refund will be made after deducting the cost, if any, of repairing the meter and of testing the same and payment of the base and connection charges and the consumption rates in respect to such installation.

5. RATES FOR WATER SUPPLIED FROM FIRE HYDRANTS

Whenever the use of any fire hydrant is desired for supplying water for any purpose, excepting those of the Fire Department for fire use, the Utility may grant a permit containing such terms and conditions as it may provide, including arrangements regarding supervision of the opening and closing of the hydrant and a service charge for commercial consumers of \$60.00 for connection and

disconnection and a consumption charge for the amount of water used as estimated by the Utility, at meter consumption rates.

6. PRIVATE HYDRANTS

Per Hydrant per year \$200.00.

7. CHARGES FOR RE-ESTABLISHING WATER SERVICE

When water service has been suspended for any violation of the Rules and Regulations of the Utility, such water service shall not be re-established until a reconnection charge of \$50.00 has been paid to the Utility. If reconnection is outside of regular working hours, the charge is \$100.00

8. CONNECTION FEE

The Utility shall charge a \$50.00 fee for the creation of a water account, notwithstanding the fact that no physical disconnection of the system may have occurred.

9. DISCONNECTION FEE

Whenever a customer, for any reason requests that the water be turned off from any premises, a charge of \$50.00 shall be made for turning off the water, and no additional charge shall be made for turning it on again when this is requested unless such request is after regular working hours of the Utility when a fee of \$100.00 shall apply.

10. CHARGE FOR NON-NEGOTIABLE CHEQUES

The Utility may charge a \$25.00 administration fee for cheques that, due to non-negotiability, have been rejected by the Utility's bank.

11. CHARGE FOR MISSED APPOINTMENT BY CUSTOMER

Where an appointment has been made by a customer to have a water service hooked up or a meter inspected, or water turned on to the property, or other visits to the property for the inception of maintenance of water service to the property, and the customer fails to keep the appointment or the plumbing is not completed to allow for installation of a water meter and the Utility's staff have to return to the property, there may be a charge of \$25.00 for each visit if, in the judgment of the Utility, it is required.

SCHEDULE "C"

**MUNICIPALITY OF THE COUNTY of COLCHESTER
DEBERT WATER UTILITY**

SCHEDULE OF RATES FOR WATER AND WATER SERVICES

(Effective for water supplied on and after April 1, 2011)

RATES

The rates set out below are the rates approved by the Board for water and water services when payment is made within 30 days from the date rendered as shown on the bill.

When payment is made after 30 days from the date rendered as shown on the bill, the rates will include interest charges of 1.25% per month, or part thereof.

Each bill shall show the amount payable within 30 days from the date rendered as shown on the bill.

In this Schedule, the term "Utility" means the Debert Water Utility of the Municipality of the County of Colchester.

1. **RATES:**

(a) <u>Base Charges</u>	<u>Quarterly</u>
<u>Metered</u>	
5/8"	\$ 90.78
3/4"	132.49
1"	215.92
1.5"	424.49
2"	674.77
3"	1,342.18
4"	2,093.09
6"	4,178.68
8"	7,515.75

(b) **Consumption Rates**

Consumption Rate: \$9.20 per 1,000 gallons
\$2.03 per cubic metre

(b) Unmetered Rate \$228.82 per quarter
(based on 272 c.m./yr.)

(c) Minimum Bills

The minimum bill shall be the base charge.

2. PUBLIC FIRE PROTECTION RATE

The Municipality of the County of Colchester shall pay annually to the Debert Water Utility for fire protection services, on or before September 30, 2013, the sum of \$103,358, or

For subsequent years, the annual public fire protection rate shall be based on:

a) The sum of 45.6% of transmission and distribution, taxes and depreciation expenses of the Utility and return on rate base of the immediately preceding year, plus;

b) 10% of all other expenses,

whichever is greater.

3. RATES FOR SPRINKLER SYSTEMS

Each building having a sprinkler system installed shall pay annually for the service as follows:

Each building served by a sprinkler service pipe of 6" diameter or less \$200.00.

Each building served by a sprinkler service pipe of 8" diameter \$300.00.

4. WATER FOR BUILDINGS OR WORKS UNDER CONSTRUCTION

The Utility may furnish water to any person requiring a supply thereof for the construction of a building or other works. This person shall deposit with the Utility such sum as may be determined by the Utility as is sufficient to defray the cost of making the necessary connection to water services or main together with the cost of the meter to be installed to measure the water consumed. Upon completion of the work and the return of the meter to the Utility, a refund will be made after deducting the cost, if any, of repairing the meter and of testing the

same and payment of the base and connection charges and the consumption rates in respect to such installation.

5. RATES FOR WATER SUPPLIED FROM FIRE HYDRANTS

Whenever the use of any fire hydrant is desired for supplying water for any purpose, excepting those of the Fire Department for fire use, the Utility may grant a permit containing such terms and conditions as it may provide, including arrangements regarding supervision of the opening and closing of the hydrant and a service charge for commercial consumers of \$60.00 for connection and disconnection and a consumption charge for the amount of water used as estimated by the Utility, at meter consumption rates.

6. PRIVATE HYDRANTS

Per Hydrant per year \$200.00.

7. CHARGES FOR RE-ESTABLISHING WATER SERVICE

When water service has been suspended for any violation of the Rules and Regulations of the Utility, such water service shall not be re-established until a reconnection charge of \$50.00 has been paid to the Utility. If reconnection is outside of regular working hours, the charge is \$100.00

8. CONNECTION FEE

The Utility shall charge a \$50.00 fee for the creation of a water account, notwithstanding the fact that no physical disconnection of the system may have occurred.

9. DISCONNECTION FEE

Whenever a customer, for any reason requests that the water be turned off from any premises, a charge of \$50.00 shall be made for turning off the water, and no additional charge shall be made for turning it on again when this is requested unless such request is after regular working hours of the Utility when a fee of \$100.00 shall apply.

10. CHARGE FOR NON-NEGOTIABLE CHEQUES

The Utility may charge a \$25.00 administration fee for cheques that, due to non-negotiability, have been rejected by the Utility's bank.

11. CHARGE FOR MISSED APPOINTMENT BY CUSTOMER

Where an appointment has been made by a customer to have a water service hooked up or a meter inspected, or water turned on to the property, or other visits to the property for the inception of maintenance of water service to the property, and the customer fails to keep the appointment or the plumbing is not completed to allow for installation of a water meter and the Utility's staff have to return to the property, there may be a charge of \$25.00 for each visit if, in the judgment of the Utility, it is required.

SCHEDULE "D"

MUNICIPALITY OF THE COUNTY OF COLCHESTER DEBERT WATER UTILITY

SCHEDULE OF RULES AND REGULATIONS GOVERNING THE SUPPLY OF WATER AND WATER SERVICES

(Effective July 6, 2011)

1. In these Rules and Regulations, unless the context otherwise requires, the expression:

"Municipality" means the Municipality of the County of Colchester.

"Utility" means the Debert Water Utility of the Municipality of the County of Colchester.

"Customer" means a person, firm or corporation who, or which, contracts to be supplied with water at a specific location or locations.

"Domestic Service" means the type of service supplied to the owner or his authorized agent or to the occupant or tenant of any space or area occupied for the distinct purpose of a dwelling house, rooming house, apartment, flat, etc.

"Metered Rate Service" means that type of service charged for at metered rates and is supplied to customers other than those supplied by fixture and flat rate service. Metered rate service is required for all new services.

"Flat Rate Service" means that type of unmetered service charged for at a flat rate.

2. **Liability for Payment of Water Bill:** An agreement is deemed to exist between a customer and the Utility for the supply of water service at such rates and in accordance with these Regulations by virtue of:
 - (a) the customer applying for and receiving approval for water service;
 - (b) the customer consuming or paying for water service from the date that the customer who is a party to an agreement pursuant to clause (a) (the customer of record) moves out of the premises, in which case the customer of record shall remain jointly and severally liable for the water service account up to the date the Utility is notified that the customer of record wishes to terminate the supply of water service.

At the discretion of the Utility, a property owner who rents or leases a property or self-contained unit to a tenant or lessee may be required to open an account for the provision of water at the property rented or leased.

- (c) Any person, business or corporation that receives water service without the consent of the Utility, shall be liable for the cost of such water service which cost shall be determined in the sole discretion of the Utility based upon its reasonable estimate of the amount of water utilized.
3. **Deposits:** When required, an applicant for service shall deposit with the Utility a sum equal to the estimated charges for service for a period of six months. The estimated charges will be based on the minimum bill for metered customers. This deposit shall be held by the Utility as collateral security for the payment of the customer's bills, but is not to be considered as a payment on account thereof. When such customer ceases to use the service and discharges all his liability to the Utility in respect of such service, the deposit shall be returned to him, with interest at the rate of interest obtained by the Municipality of the County of Colchester on its surplus cash balance on deposit with its baker as at March 31 of each fiscal year, not compounded.
 4. **Refusal of Service:** Service may be refused or suspended to any customer who has failed to discharge all of his liabilities to the Utility.
 5. **Payment of Bills:** Bills shall be rendered to each customer at intervals of approximately three months and are due and payable when rendered. Bills not paid within thirty (30) days of the date rendered shall incur an interest charge of 1.25% per month, or part thereof.
 6. **Adjustment of Bills:**
 - (a) Where meters exist – If the seal of a meter is broken or if a meter does not register correctly, the bill for that water service shall be estimated in accordance with the best data available. Any customer desiring to question a water bill must do so in writing within 30 days of the bill being rendered.
 - (b) Customers under billed – Should it be necessary for the Utility to make a billing adjustment as a result of a customer being under billed for any reason, such adjustment shall be retroactive for a maximum of four billing periods or one year, whichever is the longest. Notwithstanding the above, in the event that a billing adjustment is the result of the customer's illegal connection to the water system or wilful interference or damage of metering equipment (where they exist), the billing adjustment in such circumstances will not be limited to one year or four billing periods, but rather the customer shall be responsible for all payments of such accounts

from the date such illegal connection or interference to meter equipment took place.

- (c) Customer over billed – Shall it become necessary for the Utility to make a billing adjustment as a result of a customer being over billed for any reason, such adjustment will be estimated by the Utility, and the Utility will be responsible for payment of the over billed amount with interest calculated on the basis of current simple interest paid by the bank.
7. **Estimated Readings for Billing Purposes - Metered Customers:** If the Utility is unable to obtain a meter reading for billing purposes, after exercising due diligence in the usual practice of meter reading, the bill for that service shall be estimated in accordance with the best data available, subject, however, to the provision that in no circumstance will an estimated reading be used for more than two (2) consecutive billing periods. If an estimated bill is rendered for two (2) consecutive billing periods, the Utility shall notify the customer by regular mail that arrangements must be made for the Utility to obtain a reading and, failing such arrangements, the Utility may suspend service until such arrangements are made. When such meter reading has been obtained, the previous estimated bill or bills shall be adjusted accordingly.
8. **Suspension of Service for Non-Payment Bills:** The Utility shall have the right to enter onto customers' premises within reasonable hours to suspend service to customers whose bills remain unpaid for more than forty calendar days after the date rendered. The customer shall pay the sum of \$50.00 (HST extra) for reconnecting after each suspension. If reconnection is made after regular working hours, the charge shall be \$100.00 (HST extra).
9. **Public Fire Protection Service Charge:** The Utility shall annually render to the Municipality of the County of Colchester, not later than the last day of August, an account for fire protection service as approved by the Nova Scotia Utility and Review Board. The account shall be payable within thirty (30) days of the date rendered.
10. **Water to be Supplied by Meter:** The Utility may at any time install a meter on the premises of any customer. The Utility shall determine the size and type of meter to be installed in each case. All meters shall be the property of the Utility.
11. **Installation and Removal of Meters:** Meters shall be installed and removed only by employees or duly authorized representatives of the Utility and no other person shall install, alter, change or remove a meter without the written permission of the Utility. The plumbing and connections shall be properly prepared to receive the installation of such meters to the approval of and without expense to the Utility.

12. **Meter Readers:** Each Meter Reader shall be provided with an official identification, which he/she shall exhibit on request.
13. **Access to Customer's Premises:** Representatives of the Utility shall have right of access to all parts of a customer's property or premises at all reasonable hours for the purpose of inspecting any water pipes or fittings, or appliances, or discontinuing service, or for the purpose of installing, removing, repairing, reading or inspecting meters. The Utility shall have the right to suspend service to any customer who refuses such access.
14. **Location of Meters:** The Utility shall have the right to refuse service to, or suspend the service of, any customer who does not provide a place which, in the opinion of the Utility, is suitable for the meter. It should be in the building served, at or near the point of entry of the service pipe, in a place where it can be easily read and where it will not be exposed to freezing temperatures.

Where the premises of a customer are of such a nature that a meter cannot be properly installed in a building, or if the building is not sufficiently frost-proof as to guarantee the safety of the meter, the Utility may order the construction of a suitable frost-proof box in which the meter can be installed. Service to such premises may be refused or suspended until such a frost-proof box approved by the Utility is installed.
15. **Damage to Water Meters:** Each customer shall be responsible for the meter installed on his service and shall protect it. He shall be liable for any damage to the meter resulting from carelessness, hot water or steam, or the action of frost or from any other cause not the fault of the Utility or its employees. The cost to the Utility occasioned by such damage to the meter shall be paid by the customer. If, after the rendering of a bill by the Utility to the customer for such cost, the same is not paid within 40 days from the date rendered, the supply of water to the customer concerned may be suspended until all charges are paid.
16. **Meter Testing:** On the request to have their meter tested, the Utility may charge the sum of \$50.00 (HST extra) to defray in part the cost of making the test for meters up to 1½ inches in size. In the case of meters 1½ inches and larger, the actual cost of the test will be paid by the customer. If the test shows that the meter is over registering by more than one and one-half percent (1½%) for positive displacement meters and three percent (3%) for turbine or compound meters, the sum so deposited will be refunded to the customer

17. **Plumbing to be Satisfactory:** All plumbing, pipes and fittings, fixtures, and other devices for conveying, distributing, controlling, or utilizing water, which are used by a customer and are not the property of the Utility, shall be installed in the manner provided by the Regulations of and be approved by the proper official of the Municipality and/or the operators of the Utility. The water shall not be turned on (except for construction or testing purposes) until the applicant for service has satisfied the Utility that these requirements have been met. The supply of water may be discontinued to any customer at any time if, in the opinion of the proper official of the Municipality and/or the operators of the Utility the plumbing, pipes, fittings, fixtures or other devices as hereinbefore mentioned, or any of them, fail to comply with the above requirements, or if any part of the water system of such customer or the meter is in any unsuitable, dirty, unsanitary, or inaccessible place. Service shall not be re-established until such condition is corrected to the satisfaction of the Utility.

18. **Remote Registering Water Meters:** When a remote registering water meter is installed on a customer's premises under a general outside register installation program of the Utility, then the cost of the meter and its installation shall be paid by the Utility. The meter shall become the property of the Utility which shall become responsible for its operation, maintenance and replacement. Any damage to the meter caused by the negligence or wrongful acts or omissions by the customer, his agents or members of his family, shall be paid for by the customer, and the failure by the customer to make the payment shall entitle the Utility, after making a forty day written demand for the payment, to disconnect the water service to the customer.

19. **Cross Connection Control and Backflow Prevention:**
 - (a) No owner, customer or other person hereinafter collectively referred to in this rule and regulation as "person" shall connect, cause to be connected, or allow to remain connected to the water system, or plumbing installation, without the express written consent of the Utility, any piping fixtures, fittings container or appliance in a manner which, under any circumstances, may allow water, wastewater, or any other liquid, chemical or substance, to ingress or egress the water system.

 - (b) Where, in the opinion of the Utility, there may be a risk of contamination to the potable water system, notwithstanding the provisions of subparagraph (a), the Utility may require the customer, at the customer's sole cost and expense, to install at any point on the customer's water service connection or water service pipe, one or more backflow prevention (BFP) devices, which devices shall be of a quality and type approved by the Utility.

 - (c) All BFP devices shall be maintained in good working order. Such devices must be inspected and tested by a certified tester, approved by the Utility, at the expense of the customer. Such inspections shall take place upon

installation, and thereafter annually, or more often if required by the Utility. The customer shall submit a report in a form approved by the Utility on any or all tests performed on a BFP device within 30 days of a test. A record card shall be displayed on or adjacent to the BFP device on which the tester shall record the name and address of the owner of the device; the location, type, manufacturer, serial number and size of the device; and the test date, the tester's initials, the tester's name, the name of his employer, and the tester's license number.

- (d) Installation, maintenance, field-testing and selection of all BFP devices shall fully conform to the latest revision of CSA B64.10 and CSA B64 series.
 - (e) In the event of any breach, contravention or non-compliance by a person of any of the provision and regulations in sub-paragraphs (a), (b), (c), or (d), the Utility may:
 - (i) suspend water service to such person, or
 - (ii) give notice to the person to correct the breach, contravention or non-compliance within 96 hours, or a specified lesser period. If the person fails to comply with such notice, the Utility may immediately thereafter suspend water service to such person.
29. **Dangerous Connections**: No connection shall be permitted to any installation; equipment or source in such a manner as may allow any contamination to pass from such installation, equipment or source into the Utility's water supply system. If any such connection exists, the Utility may discontinue the supply of water to such customer.
21. **Prohibited Devices**: Service may be refused or suspended by the Utility to any customer who installs or uses any device or appurtenance as, for example, booster pumps, quick-opening or quick-closing valves, flushometers, water operated pumps or siphons, standpipes, or large outlets for supplying locomotives or ships, etc., which may occasion sudden large demands of short or long duration, thereby requiring oversize meters and pipelines, or affect the stability or regulation of water pressure in the Utility's system. Permission to install or use any such device or appurtenance must be obtained from the Utility, which permission shall specify what special arrangements, such as elevated storage tanks, surge tanks or equalizing tanks, etc., must be provided by the customer.
22. **Improper Use or Waste of Water**: No customer shall permit the improper use or waste of water, nor shall he sell or give water to any person except upon such conditions and for such purposes as may be approved in writing by the Utility.

23. **Service Pipes**: Upon receipt of an application for service to any premises located on any portion of a street through which portion a main water pipe is laid and which premises are not already provided with water service, the Utility shall install a service pipe which it considers to be of suitable size and capacity. No pipe smaller than $\frac{3}{4}$ " in diameter shall be laid for any service.

The cost of supplying and laying a $\frac{3}{4}$ " service pipe and fittings including the necessary excavation for the laying of the service pipe, backfilling, and replacement of the street and sidewalk surfaces from the water main in the street to the street line shall be done by the Utility or its contractor at a fixed fee of \$4,000 to the customer for the year 2011/12. For the year 2012/13 and subsequent years the fixed fee shall be \$5,500. In cases where boring/auguring under the street is required by Nova Scotia Transportation and Infrastructure Renewal, the fee shall be the actual cost of the installation. From the street line to the premises, all costs shall be paid by the customer.

For services larger than $\frac{3}{4}$ " the whole cost shall be borne by the customer.

Should any person make application for more than one service to his premises, the decision as to the necessity of the additional service shall be made by the Utility and if additional service is installed, the total cost thereof from the main to the customer's premises shall be paid by such applicant.

All services must be installed in accordance with the Rules and Regulations of the Municipality and to the satisfaction of the Utility.

When a service has been installed without objection from the customer as to the location of the same, no subsequent removal of or alteration to the position of the pipe shall be made except at the expense of the customer requesting such removal or alteration.

24. **Repairs to Service**: If a leak or other trouble occurs it shall be repaired as soon as possible. If the leak or trouble occurs in a service line providing non-fire protection water supplies between the main and the property line, it shall be repaired by the Utility at its expense. If the leak or trouble occurs elsewhere in a service line providing non-fire protection water supplies, it shall be repaired by the customer at his/her expense.

If the leak or trouble occurs in a service line which provides private fire protection services (sprinkler or hydrant) it shall be repaired by the customer at his expense.

The Utility may make such repairs for any customer provided the customer agrees to pay the cost of same. When required, each customer desiring the Utility to do such work shall deposit with the Utility a sum equal to the estimated cost of the work.

If a leak occurs on the customer's portion of his service pipe and, after being notified of same, he refuses or unduly delays to have repairs made, the Utility may discontinue the supply of water to such service pipe if, in its opinion, such action is necessary in order to prevent wastage of water. The Utility shall notify the customer affected of its intention to discontinue such supply.

25. **Unauthorized Extensions, Additions or Connections:** No person shall, without the written consent of the Utility, make or cause to be made any connections to any pipe or main or any part of the water system or in any way obtain or use water therefrom in any manner other than as set out in these Regulations.
26. **Special Service Charge:** A special service charge of \$50.00 (HST extra) (\$100.00 [HST extra] if such work is performed after regular working hours) shall be made to each customer receiving a necessary or requested service, such as the shutting off or turning on of water service or other special services not provided for elsewhere in these regulations. In the case where the shutting off is requested because there is no operable shut off valve serving the dwelling, an isolation valve must be installed.
27. **Season for Laying Pipes:** The Utility shall not be required to lay any pipe at any season of the year or at any time which, in its opinion, is not suitable.
28. **Private Fire Protection:** Fire protection lines within buildings shall be installed so that all pipes will be open and readily accessible for inspection at any time, and no connection for any purpose other than fire protection shall be made thereto. Unless approved by the Utility in writing, no fire protection line shall be connected in any way to a metered service.
29. **Liability of Utility:** The Utility shall not be deemed to guarantee an uninterrupted supply or a sufficient or uniform pressure and shall not be liable for any damage or injury caused or done by reason of the interruption of supply, variation of pressure or on account of the turning off or turning on of the water for any purpose.
30. **Interference With Utility Property:** No person, unless authorized by the Utility in writing, shall draw water from, open, close, cut, break, or in any way injure or interfere with any fire hydrant, water main, water pipe, or any property of the Utility or obstruct the free access to any hydrant, stop cock, meter, building, etc. provided, however, that nothing in this paragraph contained shall be deemed to prevent an officer or member of the Fire Department engaged in the work of such Department, from using any hydrant or other source of water supply of the Utility for such purpose.

31. **Suspending Service for Violation:** Whenever, in the opinion of the Utility, violation of any of these Rules and Regulations is existing or has occurred, the Utility may cause the water service to be suspended from the premises where such violation has occurred or is existing and may keep the same so suspended until satisfied that the cause for such action has been removed.
32. **Resumption of Service:** In all cases where water service has been suspended for violation of any of these rules, service shall not be restored until the cause for violation has been removed and a \$50.00 (HST extra) reconnection charge (\$100.00 [HST extra] if reconnection is completed outside of regular working hours) has been paid.
33. **Requests for Connection or Reconnection:** A charge of \$100.00 (HST extra) will be paid for water service connected or reconnected outside of regular working hours.
34. **Sprinkler Service Mains and Hydrant System:** The customer shall be responsible for the cost of installing and maintaining a sprinkler service pipe from the main in the street to the building. It shall include a proper size control valve so that the service may be shut off if necessary. If requested by the applicant, a domestic service pipe may be connected to the sprinkler service pipe, but only if it is connected outside the building foundation wall and is provided with an approved shutoff valve located outside the building to permit control of the domestic service pipe without the necessity to enter the building. Before any domestic service pipe is connected to a sprinkler service pipe, the applicant must obtain approval from the appropriate authority and provide the Utility with a certified copy of such approval. The Utility shall supervise the installation of same. When the private fire protection system includes private hydrants, these hydrants must be flushed during the Utility's regular flushing periods, under the supervision of the Utility's personnel. These hydrants shall be maintained in a manner, or on a regular basis as approved by the Utility.
35. **Pressure Reducing Valves:** Where, in the opinion of the Utility, it is necessary for proper water service, a customer shall install on the service pipe, between the meter and the shut off valve on the supply side of the meter, a pressure reducing valve of a type satisfactory to the Utility. The customer shall be responsible for the cost of installing and maintaining the pressure reducing valve at all times.
36. **Pressure Relief Valves:** Whenever a pressure reducing valve has been installed by a customer in accordance with Regulation 35, the customer shall, for his own safety and protection, install on his hot water boiler and any other hot water heating device connected to the building's plumbing system, a pressure relief valve of an approved type, as well as an approved temperature limiting device. It shall be the customer's responsibility to maintain and keep in service the pressure relief valve at all times.

37. **Water Conservation Directives:** The Utility may enact conservation of water directives to its customers if in the opinion of the Utility such directives will permit the Utility to provide a reliable, continuous water supply to all customers served by the Utility.

During such times as these directives may be enacted, customers who do not comply with the directives may have the water supply suspended until such time as the customer will agree to comply with the directive or upon suspension of the water conservation directive, whichever occurs first.

In the event that water is temporarily suspended for non-compliance of a water conservation directive, the cost of turning on the service will be billed to the customer as per Regulation 32.