

**NOVA SCOTIA REGULATORY AND APPEALS BOARD**

**IN THE MATTER OF THE PUBLIC UTILITIES ACT**

- and -

**IN THE MATTER OF AN APPLICATION** by the **TOWN OF OXFORD**, on behalf of its **WATER UTILITY**, for approval of amendments to its Schedule of Rates and Charges for Water and Water Services and amendments to its Schedule of Rules and Regulations

**BEFORE:** Bruce H. Fisher, MPA, CPA, Member  
Marc L. Dunning, P.Eng., LL.B., Member

**APPLICANT:** **TOWN OF OXFORD**  
Gerry A. Isenor  
G.A. Isenor Consulting Limited  
  
Blaine S. Rooney  
Blaine S. Rooney Consulting Limited  
  
Linda Cloney  
Chief Administrative Officer  
  
Ruthann Brookins  
Manager of Finance

**HEARING DATE:** July 30, 2025

**DECISION DATE:** December 15, 2025

**DECISION:** Schedules of Rates and Charges effective October 1, 2025, April 1, 2026, and April 1, 2027, are approved.  
  
Schedule of Rules and Regulations effective October 1, 2025, are approved.

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## **1.0 SUMMARY**

[1] The Town of Oxford (Town) applied to the Nova Scotia Regulatory and Appeals Board (Board) on behalf of its water utility (Utility) to amend its Schedule of Rates and Charges for Water and Water Services and its Schedule of Rules and Regulations. The existing rates and charges have been in effect since April 1, 2024, while the Schedule of Rules and Regulations has been in effect since April 1, 2023.

[2] A rate study to support the application dated April 14, 2025, was prepared by G.A. Isenor Consulting Limited, in association with Blaine S. Rooney Consulting Limited, and was submitted to the Board on April 25, 2025. Information Requests (IRs) were issued by Board staff on June 25, 2025, and responses were filed on July 7, 2025.

[3] Following public notice, the Board held a hearing at the Town's Council Chambers at 10:30 a.m., on Wednesday, July 30, 2025. Mr. Isenor and Mr. Rooney represented the Utility, along with Linda Cloney, Chief Administrative Officer, and Ruthann Brookins, Manager of Finance. No members of the public requested to speak during the hearing. The Board received one letter of comment from Oxford Frozen Foods Limited (OFFL), the Utility's largest customer.

[4] The Utility responded to undertakings, including filing a revised rate study, on August 6, 2025. The Board issued an Order with reasons to follow on September 26, 2025. In the Order the Board approved the Schedule of Rates and Charges for Water and Water Services as submitted in Undertakings U-6 and U-7, effective October 1, 2025, and April 1, 2026, but not the Schedule of Rates and Charges for April 1, 2027. The Board also approved the Schedule of Rules and Regulations provided in response to Undertaking U-6, which took effect October 1, 2025. In the Board's Order, the Utility was directed to refile its revised rate study in full, reflecting the request for rates approved for

all three test years. This was done for completeness as the response to Undertaking U-7 only included certain worksheets and schedules from the rate study. The Utility filed the revised rate study on October 22, 2025; it is this revised study that is referred to in this decision, unless noted otherwise.

[5] The rate study proposed new rates for fiscal years 2025/26, 2026/27 and 2027/28 for all customers. Based on average quarterly consumption for 5/8-inch meter (residential) customers, the proposed changes in each test year are increases of 29.7% in 2025/26, 3.9% in 2026/27, and no change in 2027/28. For all other metered customers, based on the average quarterly consumption of each meter size, the proposed rate changes are between 27.3% to 43.2% in 2025/26 and between -0.2% to 5.1% in 2026/27, with the Utility proposing no additional rate changes for 2027/28. For unmetered customers, the proposed rate increases by 31.8% in 2025/26, and by 3.3% in 2026/27, with no change in 2027/28.

[6] The Utility also proposed amendments to the annual public fire protection charge paid by the Town for water for fire protection services. The total public fire protection charge is currently \$165,794 and is proposed to increase to \$199,403 (20.3%) in 2025/26, \$216,787 (8.7%) in 2026/27, and then decrease to \$214,473 (1.1%) in 2027/28. The Utility proposed to prorate the fire protection charges in 2025/26 using six months at the current year's amount (\$165,794) and six months at the proposed rate (\$199,403).

## 2.0 INTRODUCTION

[7] The source of water supply for Oxford is four groundwater wells (and an additional two, older wells, for back-up supply) with individual chlorination systems located to the east and west of the Town. The Town previously changed to a new water supply due to high iron and manganese concentrations and the limited capacity to service the OFFL facility. The wellfield is connected to the distribution system through a transmission main. The main transmission line runs approximately 12 km into Town. The water system has a 204,005 imperial gallon balancing tank. The distribution system is about 20 km long and includes a 199,842 imperial gallon storage tank. The old wells are used as a backup supply and can be chlorinated before entering the distribution system. Since 2022, the following new areas have been serviced: Meadow Lane, Seven Lee Way and new homes on Pugwash Road and Horton Street.

[8] The Utility currently serves approximately 561 metered and unmetered customers. It projects the number of residential customers to increase by three in each of the first two test years and by four in the 2027/28 test year. At the time of the last rate study the Utility had 528 metered and unmetered customers.

[9] The rate study projects that the average consumption per customer for each meter size remains the same over the test period. However, it was noted that the average annual consumption for 5/8-inch customers has decreased by about 0.4% per year since 2022. Current consumption by 5/8-inch customers is 134 cubic metres per customer per year. The rate study does not project further reductions and considers current consumption to be low relative to other utilities in Nova Scotia.

[10] The Utility said it was unable to calculate the amount of non-revenue water for the rate study because the Supervisory Control and Data Acquisition (SCADA) system

malfunctioned and only recently came back online. The most recent data the Board has is from the 2018 rate study where non-revenue water was 13%, up from 8% from the previous study.

[11] The Utility submitted the application to the Board based on the need to adjust the base charges and consumption charges due to higher operating costs and the need to fund its projected capital program.

### **3.0 LETTER OF COMMENT**

[12] The Notice of Hearing invited members of the public to send letters of comment to the Board or appear at the hearing to speak. The Board received one letter of comment from Milton Wood, Chief Executive Officer of OFFL. In addition to being the Utility's largest customer, OFFL is the only customer with 4-inch and 6-inch meter sizes, for which the Utility proposed the greatest increases. Mr. Wood cited the Utility's asset management program, which will help to repair water lines and improve fire protection, which he considers will provide no benefit to OFFL because the facility only uses the main line from the well field to the Town. Mr. Wood regards the cost increases faced by the Utility as being from distribution network upgrades rather than consumption and asks the Board to reconsider the consumption rate and base rate increases proposed to more fairly distribute the costs.

### **4.0 REVENUE REQUIREMENTS**

[13] In response to IR-17, the Utility explained its budget process, which was prepared by the Town and Manager of Finance. The operating budget includes inflation.

Capital costs have been estimated based on the Town of Oxford Capital Program 2025/26 to 2029/30, dated March 2025, prepared by Atlantic Infrastructure Management Network (Capital Program), and a WaterCAD Model Report dated July 17, 2024, prepared by Dillon Consulting Limited (WaterCAD Report).

[14] Since the last rate study in 2022, the main factors causing the Utility to increase its spending are inflation, aging watermains and complying with environmental regulations.

[15] The rate study indicates that the Utility had a projected deficit in 2024/25 of \$32,477. The application is based on revenue from fire protection and water customers of \$908,390 in 2025/26 and \$936,213 in 2026/27, which reflect the increases in the Utility's various cost categories. In 2027/28, principal and interest charges and capital out of revenue decline but the savings are offset through a contribution to a proposed Capital Reserve Fund.

[16] Operating expenses are based on budget estimates, provided by Utility staff, or were based on a 3% inflationary adjustment in each of the test years.

[17] The Statement of Operations includes transfers from surplus of \$150,000 in 2024/25 but no transfers for the test years. The operating revenue for each of the test years is based on the average consumption of water by meter size. The Utility forecasts that at current rates, and without the new Capital Reserve Fund contribution, the accumulated deficit will grow to \$425,127 by the end of the test years.

[18] The Utility's forecast non-operating expenses are comprised of principal and interest payments on existing and new debt, amortization of debenture discount, capital out of revenue, and contributions to the proposed Capital Reserve Fund.

[19] There is non-operating revenue over the test years from interest on overdue accounts which is forecast to fall by 33.3% from 2024/25 to 2025/26 and be constant over the test years.

[20] The Utility has a depreciation reserve fund and is proposing to establish a Capital Reserve Fund.

#### **4.1 Operating Expenditures**

[21] Schedule B-1 of the rate study indicates that, without a rate adjustment, the Utility's expenses are estimated to exceed revenues by \$220,697 in 2025/26, decreasing the Utility's existing accumulated surplus to \$8,015. The Utility expects expenses to exceed revenues in the final two test years, by \$257,393 in 2026/27 and \$245,749 in 2027/28. This changes the accumulated surplus to an accumulated deficit at the end of the test period. The main cost drivers of the Utility's operating budget are the increased cost to replace old watermains and compliance requirements with environmental regulations.

[22] In response to IR-27, the Utility described how costs are currently allocated between the Town and the Utility. Since the 2022 rate study, the cost for software was added to office supplies. The Utility uses time sheets to allocate the time public works staff spend on water projects/issues, and the proportion of time that is applied to employees' salaries to determine the costs owed to the Town.

[23] The Utility was asked about its SCADA system problems preventing it from estimating non-revenue water. In response to IR-7, the Utility explained that the system was updated and has only become reliable as of 2025. Although non-revenue water is a concerning issue, given that the system has only recently come back online, the amount of non-revenue water cannot be calculated yet. The Capital Plan identifies several mains

that are at a high risk of failure and need to be replaced. These replacements are expected to lower non-revenue water and improve service levels.

[24] Current cost increases are the result of adhering to new environmental regulations, which are estimated at \$8,000 for the initial set up and maintenance.

[25] The Utility was questioned about “forever chemicals” in the water supply. Per and polyfluoroalkyl substances (PFAS), often called “forever chemicals”, are a large class of human-made chemicals that are highly persistent in the environment because they do not break down easily. These chemicals are used in a range of everyday products and can be found in the air, groundwater, oceans, lakes, and wastewater. Exposure to “forever chemicals” has been linked to adverse health effects. The Utility confirmed that the Province has a schedule for basic chemical testing but has not specifically tested for these toxins.

[26] In response to IRs about contingency and planning the Utility explained that it is in the process of developing a source water protection plan. The Utility confirmed that since 2020, it has had a Water Utility Emergency Plan covering a wide range of emergencies and service disruptions. The plan was filed as Exhibit O-4(iii). The plan is reviewed and updated annually. All identified risks are currently rated low to moderate and there are no current plans to mitigate the risks. Aside from updates to the Town’s website, the Town/Utility has recently subscribed to “Voyent Alert”, an application service that will provide a means to communicate with its customers during an emergency. This service will go live this fiscal year.

[27] In response to IR-16, the Utility confirmed that the Town of Amherst monitors cybersecurity software for the Town/Utility. Staff receive general training about

phishing and spam. A recent new hire has an information technology background and is able to assist with technical problems. As back-up, the Town/Utility has one week's worth of information stored in a secure location.

[28] The Utility explained that it considers itself to be at a low risk for cyber-attacks because it doesn't store payment or banking information and the water treatment system is monitored by SCADA. The Utility confirmed that it does not have cybersecurity coverage but noted it is available through its insurance provider. As part of Undertaking U-2 the Utility provided two quotes for cybersecurity insurance coverage.

[29] In response to IR-30, the Utility identified proposed depreciation rates for its capital additions that are different than those in the *Water Utility Accounting and Reporting Handbook (Handbook)*. The proposed amortization for the "Design of the Highway Crossing" waterline construction project in 2025/26 is depreciated over 10 years in the rate study. While the design would typically be depreciated over the life of the asset, 75 years, the shorter time period was chosen given the uncertainty as to when the waterline will be constructed.

### **Findings**

[30] The operating expenses over the test years are generally based on assumed annual inflationary increases of 3%. The Board accepts the explanations for the increases provided by the Utility. While the Board accepts the underlying assumptions on inflationary pressures, it notes that the current environment is calmer and previous risks around the inflation expectations are now moderated.

[31] The Board accepts the allocation of expenses between the Town and the Utility. The Board commends the Utility for implementing a new tracking system to more

accurately allocate costs to the Utility and looks forward to future rate studies that will be, in part, based on more accurate allocations.

[32] The Board accepts the depreciation expenses for the test period, which are based on the current depreciation expense plus annual depreciation for capital additions over the test period.

#### 4.2 Capital Budget and Funding

[33] The rate study included the Utility's proposed capital additions in each of the test years of \$322,069, \$786,000, and \$96,000, respectively. The table below summarizes the capital projects and proposed funding.

	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
Land	\$20,000	\$0	\$0
Structures & Improvements	\$89,500	\$6,000	\$6,000
Equipment	\$138,964	\$0	\$0
Mains	\$60,000	\$750,000	\$60,000
Meters	\$0	\$30,000	\$30,000
Hydrants	\$2,605	\$0	\$0
Services	\$0	\$0	\$0
Other	<u>\$11,000</u>	<u>\$0</u>	<u>\$0</u>
	<b>\$322,069</b>	<b>\$786,000</b>	<b>\$96,000</b>
Funding from outside sources	\$70,964	\$375,000	\$30,000
Long Term Debt	\$0	\$311,000	\$0
Depreciation Fund	\$151,105	\$0	\$0
Capital out of Revenue	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$66,000</u>
	<b>\$322,069</b>	<b>\$786,000</b>	<b>\$96,000</b>

[34] Based on projected expenses and funding, the Utility expects the balance of its depreciation fund to be \$433,170 at the end of the test period.

[35] Although the Utility is following the Capital Plan, it must balance capital projects against debt ratio limits and the reserve requirements. The Utility intends to apply for outside funding for its proposed main distribution projects, but it had not received confirmation of funding at the time of the hearing.

### **Findings**

[36] The Utility is focusing on repairing and replacing aging mains over the test period, with most of the work taking place in the second test year. The Board accepts the proposed level of funding from the Utility's depreciation fund over the test years. The Board also accepts the Utility's proposed capital program and funding as set out in the rate study.

[37] During the hearing the Utility explained that it is uncertain whether all required outside funding can be secured. Capital projects are dependent on receiving this money and if that funding is not secured some of the projects might not be undertaken during the test period. If that happens, the Board expects the Utility to put aside the equivalent of the depreciation expense for those projects in its proposed Capital Reserve Fund.

[38] 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 expenditures exceeding \$250,000 as set out in s. 35 of the *Public Utilities Act*, regardless of the source of funding.

### **4.3 Non-Operating/Other Revenues and Expenditures**

[39] The annual amount for non-operating revenue in each of the test years is for interest on overdue accounts, totaling \$3,500 in each of the test years.

[40] The non-operating expenses include debt repayments and corresponding interest expenses on existing and new debt, amortization of debenture discount, capital out of revenue, and transfer to the proposed Capital Reserve Fund. New debt is projected in the second and third test years, at an assumed rate of 6% over 20 years. The forecasted principal and interest payments for test years two and three are \$27,114 and \$27,115 respectively.

[41] The requested capital out of revenue is due to the drawdown in the depreciation fund over the test period. If capital out of revenue is not used as a funding source the depreciation fund would be depleted, or the Utility would have to seek long-term debt to fund its capital program. At the hearing the Utility confirmed that it will apply to the Board to establish a Capital Reserve Fund if the transfer out of capital is approved.

[42] The Utility was questioned in the hearing about its debt ratio. The Utility provided its forecasted debt ratios for the three test years and explained that the provincial government recommends that municipalities keep within a 10% to 15% debt ratio. If the ratio exceeds this threshold, an action plan is required based on the Town's financials. The Town acts as a financial backstop for the Utility because the Utility cannot borrow directly from the Treasury Board. In response to Undertaking U-3 the Utility provided the Town's recent financial indicators and debt ratios.

[43] The rates of return calculated in the rate study are 4.08%, 4.26%, and 2.61%, respectively, in each of the test years.

### **Findings**

[44] The Board finds the Utility's other operating revenue to be reasonable and accepts it as presented for the test years.

[45] The Board accepts the non-operating expenditures related to existing and new debt and the use of capital out of revenue to help fund the capital program in each of the test years, as presented in the rate study.

[46] The Board finds the proposed return on rate base over the test years to be reasonable.

[47] The Board approves the requested transfer of capital out of revenue and directs the Utility to apply to the Board to set up its Capital Reserve Fund. This is currently a pending application before the Board in Matter M12523.

## **5.0 REVENUE REQUIREMENT ALLOCATION**

### **5.1 Public Fire Protection**

[48] The methodology used in the rate study to determine the public fire protection charge paid by the Town to the Utility follows the *Handbook* except for the allocations for transmission and distribution mains. The proposed allocations are slightly different compared to the previous two rate applications approved by the Board.

[49] During the hearing, the Utility explained that the general service and fire protection split has been at 75%/25% for the transmission mains and 55%/45% for the distribution mains. At peak demand, OFFL consumes 75% of transmission main capacity. The distribution allocation reflects the peak demand for the remaining customers, which represents about 55% of the flow for general service. This allocation reduces the fire protection rate. These rates are different from those in the *Handbook* due to the large demands placed on the system by OFFL.

[50] In the Town's previous application, it was confirmed that a fire flow analysis had not been conducted as had been recommended by the Board. The Utility confirmed in response to IR-31 that the WaterCAD Report and the Capital Plan were completed and included in the IR responses. The WaterCAD Report found that the "distribution system is experiencing supply and low-pressure issues within several areas of the Town due to the existing infrastructure being old and undersized." [Exhibit O-4iv, p. 39].

[51] The Utility has revised the proportion of expenses to be allocated to Fire Protection for Transmission & Distribution, Depreciation, Taxes, and Return on Rate Base. It proposes allocations of 32.7% in 2025/26 and 33.7% in 2026/27 and 2027/28. The remaining expenses are assigned 10% allocations, with the exception of water treatment which will be 33.7% in 2027/28. This calculation results in a notable increase in the fire protection charge paid by the Town in the second test year, followed by a slight decrease in the third test year. In subsequent years a formula will be used to calculate fire protection.

### **Findings**

[52] The Board accepts the methodology used to determine the allocation of costs to general service and public fire protection as set out in the revised rate study. This includes the allocation to the distribution and transmission mains.

### **5.2 Utility Customers**

[53] After the allocation to fire protection, the remaining revenue requirement is recovered from customers. Currently there are 561 customers, most of whom are 5/8-inch meter (residential) customers. The rate study forecasts the number of customers to increase by a combined total of six in the first and second test years and then by four customers in the third test year.

[54] During the hearing, it was explained that there are several new mini homes and that four of them will receive meters by 2027/28.

[55] The rate study forecasts that water sales will increase and then decrease. It was explained during the hearing that this reflects the fact that the new mini homes are currently unmetered and estimated at a higher consumption level than most residential customers. Consumption is reduced in 2027/28 when four mini homes begin taking service using meters.

[56] In the previous rate study, the Board noted that more than 60% of the Utility's revenues would be from the base rate and that the weighting on the base rate meant that customers were constrained in reducing their water bills by reducing their consumption. In this application, based on the revised rate study, at the projected rates, between 41% and 43% of revenue will be derived from consumption charges from 2025/26 to 2027/28.

[57] The Utility proposed that the Board maintain the 2026/27 rates in the third test year. In the third year there will be lower debt servicing costs and capital from revenue, with a corresponding increase for the proposed Capital Reserve Fund. This approach avoids rates being lowered in 2026/27 and then increased in 2027/28, while also providing funds for capital. The anticipated balance of the Capital Reserve Fund in 2027/28 is \$82,170.

[58] OFFL explained in its Letter of Comment that it will not benefit from distribution projects planned by the Utility. The Utility noted that there are also other customers who will not benefit from these projects including those that live toward the end of the Town and are serviced by another system. The Utility noted that the demand

OFFL places on the water system affects fire protection. At peak, OFFL accounts for 75% of the demand on the system.

[59] The Board asked the Utility if it has considered undertaking a cost-of-service study to allocate costs based on actual demand. The Utility confirmed that it has not and instead relies on the *Handbook*.

[60] OFFL cited that the original rate study filed with the Board applied an "...increase of 60.9% in the commodity portion in all categories, the majority of the cost is the burden of Oxford Frozen Foods. This is also drastically more of an increase than the proposed base charge of 8.9% - 9.5%". This comment refers to the 2025/26 test year in the original rate study. To address this concern, the final revised rate study, which sets out the revised rates proposed by the Utility, applies a 44.9% increase in the commodity charge and a 27.0-27.5% increase in the base charge.

[61] The Utility was asked if its customers can afford higher water bills. The Utility explained that water bills are harder to collect than other payments, but this difficulty has not worsened in recent years. Their average residential cost is \$114 a quarter, which is below the provincial average.

### **Findings**

[62] The Board accepts the methodology used by the Utility to distribute expenses to base, customer, delivery, and production charges, which generally follows the *Handbook*. The Board finds that changing the allocation of depreciation from 40% to base, 30% to delivery, and 30% to production, as originally proposed; to 80% to base, 10% to production, and 10% to delivery for the test years, will lessen the impact to consumption rates.

[63] The Board is concerned about potential rate shock as customers will see a 27.3% to 43.2% increase in rates in 2025/26. However, these increases are somewhat moderated over the test period given that rate increases in 2026/27 are proposed to be significantly lower, in the range of -0.2% to 5.1%, and there will be no increases in 2027/28. This is not a utility that already has high residential rates. Residential customers are currently charged approximately \$114 per quarter, which is below the provincial average. Increases in rates are necessary to address important issues including aging water mains, increased operating costs, and compliance with environmental regulations. In the circumstances, the Board finds that the proposed rates are reasonable.

[64] The Board finds the change in consumption due to installing meters on new mini homes in the Town is reasonable. The Board also accepts the projected number of customers over the test period.

[65] In the Utility's 2022 application, the Board noted that OFFL accounted for most of the water consumption and the majority of its bill was from the commodity charge. The Board asked the Utility about doing a cost-of-service study for OFFL, however, the Utility was concerned that it may not result in changes significant enough to make the study an effective undertaking. The Board is concerned that Oxford's situation differs from many other water utilities in the province, and that the assumptions in the Handbook may need to be adjusted to reflect a more appropriate cost-of-service. There may be value to the Utility in considering a cost-of-service study and the potential impact it may have on its customers, including OFFL, and what, if any, adjustments may lead to a more appropriate cost-of-service model. The Utility is directed to, at a minimum, explore the pros and cons of a cost-of-service study, whether it might produce a more appropriate

cost-of-service model for its ratepayers, and to report on its findings in the next application.

[66] The Board agrees with the Utility's proposed approach of creating a Capital Reserve Fund for capital upgrades and replacements.

## **6.0 SCHEDULE OF RATES AND CHARGES**

[67] Aside from the changes to the rates for water supply to its customers and the fire protection charges, the application does not propose other changes to any of the miscellaneous rates and charges.

[68] In its September 26 Order, the Board approved the Schedule of Rates and Charges for Water and Water Services as submitted in response to Undertakings U-6 and U-7, attached to the Order as Schedules A and B, effective October 1, 2025, and April 1, 2026, respectively. The Order also required that the Utility refile its Water Rate Study in full reflecting the request for rates approved for all three test years which the Utility did on October 22, 2025. In addition to Schedules A and B (which it approved in its Order) the Board also approves Schedule C in the revised rate study, effective April 1, 2027, which had not been included in the September 26 Order.

## **7.0 SCHEDULE OF RULES AND REGULATIONS**

[69] The Schedule of Rules and Regulations is generally consistent with other water utilities in the province which have had a recent rate application.

[70] The Schedule of Rules and Regulations only requires one change to Regulation #11 in Schedule D for Billing for Customers with Non-Registering Meters. This

addition applies only to those customers whose meters are not registering and how the Utility will estimate the customer's bill until a new water meter is acquired and installed. The Board previously approved this regulation in 2023; therefore, additional approval is not required. The Board notes that this regulation puts an onus on the Utility to replace a meter as soon as possible and limits the billing practice to circumstances that prevent immediate replacement of a meter. In other circumstances where a meter cannot be read the Utility is required to comply with Regulation #8 dealing with estimated readings.

[71] In its Order, the Board approved the Schedule of Rules and Regulations submitted in response to Undertaking U-6, and attached to the Order as Schedule C, effective October 1, 2025.

## **8.0 CONCLUSION**

[72] At the time of writing this decision the Utility has applied to the Board for permission to set up a Capital Reserve Fund and this is a pending matter before the Board in Matter M12523.

[73] The Board reiterates its approval of the Schedule of Rates and Charges for Water and Water Services for 2025/26, 2026/27 and 2027/28 and the Schedule of Rules and Regulations as set out in the Order.

[74] The Utility is directed to explore the pros and cons of a cost-of-service study, whether it might produce a more appropriate cost-of-service model for its ratepayers, and to report on its findings in the next application.

[75] 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 needed for expenditures exceeding \$250,000, as set out in s. 35 of the *Public Utilities Act*, regardless of the source of funding.

[76] An additional Order will issue accordingly for Schedule C, confirming Board approval of Schedule C in the revised rate study, effective April 1, 2027, which had not been included in the September 26 Order.

**DATED** at Halifax, Nova Scotia, this 15<sup>th</sup> day of December 2025.

  
Bruce H. Fisher

  
Marc L. Dunning