DECISION **2025 NSRAB 50**
M12019

NOVA SCOTIA REGULATORY AND APPEALS BOARD

IN THE MATTER OF THE PUBLIC UTILITIES ACT

- and -

IN THE MATTER OF AN APPLICATION by the **MUNICIPALITY OF THE DISTRICT OF ST. MARY'S**, on behalf of **Sherbrooke 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:	Stephen T. McGrath, K.C., Chair Julia E. Clark, LL.B., Vice Chair M. Kathleen McManus, K.C., Ph.D., Member
APPLICANT:	**MUNICIPALITY OF THE DISTRICT OF ST. MARY'S**
	Gerry Isenor, P.Eng. G.A. Isenor Consulting Limited
	Blaine Rooney, CPA, CA Blaine S. Rooney Consulting Limited
	Doug Patterson Chief Administrative Officer
	Marian Fraser Director of Finance/Treasurer
	Teddy Stevens Director of Public Works
HEARING DATE:	March 31, 2025
FINAL SUBMISSIONS:	April 14, 2025
DECISION DATE:	**June 26, 2025**
DECISION:	**The application is approved, as amended by the Board in this Decision.**

TABLE OF CONTENTS

1.0 SUMMARY

[1] On December 16, 2024, the Municipality of the District of St. Mary's applied to the Nova Scotia Utility and Review Board to amend its water utility's Schedule of Rates and Charges for Water and Water Services and its Schedule of Rules and Regulations. On April 1, 2025, on proclamation of the *Energy and Regulatory Boards Act*, S.N.S. 2024, c. 2, Sch. A, the Nova Scotia Regulatory and Appeals Board succeeded the Nova Scotia Utility and Review Board in all matters relating to the regulation of water utilities under the *Public Utilities Act*, R.S.N.S. 1989, c. 380.

[2] The utility's existing rates and charges have been in effect since April 1, 2019, and its Schedule of Rules and Regulations has been in effect since October 1, 2017. The utility said it needed to adjust rates to continue to meet operational obligations, address its accumulated deficit, and to carry out necessary capital improvements. A rate study supporting the application was prepared by the utility's consultants, G.A. Isenor Consulting Limited and Blaine S. Rooney Consulting Limited.

[3] The rate study proposed rates for fiscal years 2025/2026, 2026/2027, and 2027/2028 (test years) for its customers. For 5/8" meter customers, most of whom are residential customers, the proposed increases on April 1st in each test year (based on average quarterly consumption) are 28.3% in 2025, 9.1% in 2026, and 9.4% in 2027. For all other metered customers, based on the average quarterly consumption for each meter size, the proposed rate increases are between 23.7% and 54.7% in 2025, 8.2% to 12.7% in 2026, and 8.5% to 12.9% in 2027. The utility's responses to information requests (IRs) from Board staff included several revised schedules to the rate study. The revisions resulted in changes to the proposed rates for the final two test years.

[4] The Board held a public hearing on March 31, 2025, at St. Mary's Municipality Council Chambers in Sherbrooke, Nova Scotia, after due public notice. The utility's consultants, Gerry Isenor and Blaine Rooney represented the utility, accompanied by the following representatives from the Municipality: Marian Fraser, Director of Finance/Treasurer; Doug Patterson, Chief Administrative Officer, and Teddy Stevens, Director of Public Works. There were no formal intervenors in the matter and the Board did not receive any requests to speak at the hearing or letters of comment.

[5] The Board reviewed the rate study, and the amendments made in response to the IRs, during the hearing. The Board asked the utility to submit more information and a revised rate study, which the utility undertook to file following the hearing.

[6] The utility filed its undertaking responses, including the revised rate study, on April 14, 2025. The utility also included an alternative rate study, in which it proposed to phase out its practice of offsetting its depreciation expenses with the amortization of unamortized contributed capital and adding a small amount of earnings in the final test year.

[7] The average rate increases for 5/8" meter customers calculated in the rate study filed in response to the undertakings are 26.7% in 2025, 4.9% in 2026, and 5.8% in 2027. For all other metered customers, average rate increases are between 28.9% and 52.0% in 2025, 5.0% to 6.0% in 2026, and 5.9% to 7.4% in 2027. The utility proposed that July 1, 2025, be the effective date for the increases in the first test year, with later increases coming into effect on April 1st in the other test years.

[8] The alternative rate study proposed average rate increases for 5/8" metered customers of 17.8% in 2025, 8.5% in 2026, and 14.7% in 2027. For all other metered

customers, the proposed average rate increases are between 19.8% and 41.0% in 2025, 8.6% to 9.8% in 2026, and 14.9% to 16.6% in 2027.

[9] As set out in this decision, the Board approves the utility's proposed phasing out of the amortization of contributed capital over the first two test years, as included in the alternative rate study, but not the inclusion of earnings in the final test year. As such, the Board approves Schedules A and B from the alternative rate study for the first two test years and Schedule C from the rate study requested by the Board in the undertakings in the final test year. Because the Board is not allowing earnings in the final test year, to mitigate the impact on customers from the already large increases being approved, the Board encourages the utility to submit a new rate application before the end of the final test year, so it can start paying down its accumulated deficit.

2.0 INTRODUCTION

[10] Surface water from Sherbrooke Lake supplies the Sherbrooke Water Treatment Plant, through a 4'' intake found at the outflow of the lake, about 6' to 8' below the surface. The utility said it has a source water protection plan that it has recently reviewed and is updating.

[11] A pumphouse on the lakeshore, consisting of two 7.5-horsepower pumps that can be alternated manually, pumps water to the plant through a 4'' actuated butterfly valve that opens automatically when the plant starts. The plant has a maximum output of 85 gallons per minute or 122,400 gallons per day.

[12] The water treatment plant has operated since March 1999. The utility completed upgrades in 2008 to conform to Nova Scotia Department of Environment and Climate Change requirements.

[13] There are two chemical injection points in the process within the plant, one for soda ash and one for polyaluminum chloride. Raw water and chemicals flow through a chemical reaction tank, where floc is formed, and a dissolved air flotation tank where suspended solids in the water attach themselves to micro bubbles of air. The sludge rises to the surface and is removed by a skimmer arm and directed to the sanitary sewer.

[14] The clear water gravity feeds to a sand filter through a weir on the dissolved air floatation tank. There are two identical sand filters that can work with a split flow to both or one at a time. The sand filter contains media made up of anthracite coal silica sand and clear stone. Two 20-horsepower backwash pumps clean the sand filter each day.

[15] From the sand filter, the water flows to a chlorine contact chamber (10,000 gallons) and then to a clear well through several concrete openings through mixing. Soda ash is injected into the pipe leaving the sand filter to adjust the pH balance, and sodium hypo-chloride is injected for disinfection. The clear well holds 42,000 gallons of finished water.

[16] One of three 10-horsepower submersible pumps is used to pump water from the well to the distribution system. The distribution system is comprised of approximately 4 km of 2”, 3”, and 4” polyvinyl chloride water lines. The pressure in the lines has a high of 70 PSI to a low of 50 PSI (depending on whether the high lift pumps

are on). The system has four fire hydrants for flushing purposes found at the end of the water mains.

3.0 REVENUE REQUIREMENTS

3.1 Operating Expenditures

[17] For the fiscal year ended March 31, 2024, the utility had an excess of expenditures over revenues of $31,789 and an accumulated operating deficit of $146,280. For the year ended March 31, 2025, in the alternative rate study, the utility projects that it will have an excess of expenditures over revenues of $15,543, leading to an accumulated deficit of $161,823. In its responses to IR-21 to IR-23, the utility provided reasons for the projected changes in certain operating expense line items from its actual expenditures in 2023/24 to its projected expenses in 2024/25. The alternative rate study projects that at current rates, the utility's expenditures will increasingly exceed revenues by $30,797 in 2025/26 and $74,020 in 2027/28, leading to an accumulated deficit of $312,471 ($304,471 excluding the proposed earnings) at the end of the test period.

[18] For the most part, the alternative rate study's operating expenses in the test years are based on the utility's 2024/25 budget, with annual increases of approximately 3% for inflation. The utility noted that there have been no changes to its budgeting process since its last rate application. The utility described its budgeting process in response to IR-16(a):

> Council reviews the utilities [sic] previous year's actuals to help project/estimate budgets for the following year. Council also consults with the Superintendent of Public Works to help project expenditures during the upcoming year.
>
> [Exhibit S-4, p. 10]

[19] The utility also noted that cost allocations for wages and benefits for the Superintendent of Public Works are allocated on a 50/50 basis between the Municipality's

water and sewer services and that maintenance expenses are allocated based on actual work performed for each entity. It said minimal charges are expensed to the utility for office supplies and administration.

[20] Depreciation is based on the previous year's depreciation expense plus depreciation on new capital additions, and a phasing-in of the remainder of depreciation for the waterline replacement project approved in the utility's last general rate application, which is not currently included in its rates. In response to IR-25(d), the utility stated that the depreciation rates used for the proposed capital additions over the test years conform to the *Water Utility Accounting and Reporting Handbook* (*Handbook*).

[21] After the final rate increase following its last rate application, the utility stopped transferring the full depreciation expense to its depreciation fund and instead switched to transferring net depreciation, using the amortization of contributed capital to lower the annual reserve obligation. The utility noted it took this measure because it was in an operating deficit for several years and did not have enough cash flow to transfer the full depreciation amount. This rate study includes depreciating assets at gross cost and transferring the full depreciation expense amount to the depreciation fund reserve, after phasing-out the amortization of deferred assets over the first two test years.

[22] At the time of the utility's last rate application in 2017, the amount of treated water lost or used in the system and not sold (non-revenue water) was approximately 53% of total production. At that time, the utility planned to replace 70% of its distribution system, which it expected would dramatically reduce the amount of non-revenue water to about 10-15%.

[23] Non-revenue water is currently about 25% of the amount of treated water the utility produces. In hindsight, the utility said this is a more realistic level than the 10-15% estimate provided in its last rate application. The utility believes the remaining non-revenue water is related to small leaks that are hard to detect, usually on service line connections or in the older part of the system the utility has not replaced (the other 30% of the distribution system). The utility said old meters, which may not be reading all the water passing through them, contribute to non-revenue water. It submitted that a meter replacement program over the test period should lead to a further reduction in non-revenue water.

[24] Mr. Stevens noted that the utility has a daily leak detection program consisting of checking the previous day's production against normal sales volumes. The utility checks pump run times to see if they are running more often and can assess pumps in different areas to figure out where a leak may be. The utility further described its leak detection program during the hearing and noted that the utility's operating expenses cover the cost of the program. Mr. Isenor noted that this program goes further than most utilities. Having such a small system and a small number of customers makes this monitoring easier than for larger utilities.

[25] The utility did not file a rate application sooner due to several factors. Since 2017, the utility has little, if any, transition time with experienced staff. The turnover, including at the Chief Administrative Officer level, occurred for reasons largely beyond the utility's control. There was also the COVID-19 pandemic. All these events disrupted the utility's administrative operations. The utility contacted its consultants for a rate study around 2022, but the application was delayed while core staff were preoccupied with

keeping the utility and Municipality running. Now that things are more settled, the utility was able to bring its consultants back to conduct another rate study and bring this application.

3.1.1 Findings

[26] In part, increases in general operating expenses over several years caused the utility's recent operating deficits and increases in its accumulated deficit. The utility's inability to file for rate increases sooner continued annual deficits and contributed to the accumulated deficit.

[27] The Board is satisfied that the utility managed as best it could through difficulties since its last rate application, due to the extraordinary efforts and personal sacrifices of those who remained at the utility through this period. That said, filing a rate application earlier could have avoided adding to the accumulated deficit. An earlier application would also have provided the utility and the Board with the opportunity to examine cost structures and cost allocations, so rates would be more reflective of the cost of service, including full depreciation. Furthermore, while rising costs would still have caused customer rates to rise, earlier and more frequent rate applications would have produced more gradual rate increases rather than producing the significant and sudden increases in rates presented in this application, which are more difficult for customers to manage.

[28] The Board expects utilities to file rate applications before finding themselves in financial difficulties that could lead to rate shock, the inability to transfer full depreciation, or incurring large deficits. Since the Board has not allowed earnings in rates for the test period to mitigate, to a small extent, the impact on customers due to the delay in bringing this application, the Board encourages the utility to file a rate application before

the end of the final test year, so it can update rates to include paying down the accumulated deficit at that time.

[29] The Board accepts the utility's explanation for the allocation of expenses between the Municipality and the utility. The Board reminds the utility to review these allocations periodically and revise them as necessary. This rate study relied on the previous rate study's allocation of expenses, which may become outdated given the changes to the utility and Municipality.

[30] Based on the information provided, the Board accepts the operating expenses contained in the rate study. The Board accepts the depreciation expenses for the test period, which are based on the current actual depreciation expense plus annual depreciation for the gross capital additions and adding the remaining 50% of depreciation for the past waterline project over the final two test years.

3.2 Capital Budget and Funding

[31] The rate study included the utility's proposed capital additions of $269,178 in 2024/25, $26,000 in 2025/26, $6,000 in 2026/27, and $50,000 in 2027/28. The planned capital additions for the test years includes $20,000 for the water treatment plant in 2025/26 and $62,000 over the test period for its metering program. During the hearing, Mr. Stevens provided more detail about the work completed before the test period and the work expected during the test period. The utility said that its assets are in good condition and the proposed capital budget for the test period is not large.

[32] All funding for the capital program comes from outside sources (the Canada Community Building Fund and provincial grant programs). The utility said it expects its

depreciation fund balance to increase from $109,473 in 2024/25 to $223,870 at the end of the test period.

3.2.1 Findings

[33] The Board accepts the utility's proposed capital program and funding as set out in the alternative rate study. The Board finds that the utility's projected depreciation fund balance by the end of the test period appears adequate for a utility of this size.

3.3 Non-Operating/Other Revenues and Expenditures

[34] The utility has included non-operating expenses for the Sherbrooke Village Operating Grant, interest and other income in each of the test years. In response to IR-19, the utility provided more details about the grant. Sherbrooke Village pays for its water bill out of the grant provided by the provincial government. The utility recognizes the balance of the grant as non-operating income. As such, when Sherbrooke Village's water bill increases, the amount of the grant recognized as non-operating income is reduced by the same amount.

[35] The rate study filed with the utility's application kept the grant amount in non-operating revenue constant through the test period, even though water bills to Sherbrooke Village would increase by sizeable amounts. This was an error and led to an understatement of the utility's revenue requirement. This error was corrected in the alternative rate study, in which the grant amount recognized as non-operating income was reduced, and the revenue required from customers increased, leading to additional rate pressure.

[36] The utility is also projecting non-operating expenditures consisting of principal and interest payments to service its existing debt during the test period.

[37] The original rate study also included earnings in the final two test years of $14,000 and $28,000. The utility said this was part of a plan to eliminate the accumulated deficit in about seven years.

[38] The utility's rate base in each of the test years is the gross utility plant in service, less the accumulated depreciation and unamortized capital contributions. Its return on rate base is determined from its non-operating revenue less non-operating expenses.

[39] All versions of the rate study filed in this proceeding erroneously state the utility plant in service as nil. This error carries through to the calculation of the return on rate base. Board staff calculated the utility's rate base and return on rate base under the assumptions in the alternative rate study, based on the same table in worksheet C-2, by taking plant in service from the utility's financial statements for the year ended March 31, 2024, and adjusting for capital additions through the test period. Board staff results are set out in the table below:

Sherbrooke Water Utility
Calculation of rate Base and required Return on rate Base
Years Ending March 31st

	2024/25 (Projected)	2025/26 (Estimated)	2026/27 (Estimated)	2027/28 (Estimated)
RATE BASE				
Utility plant in Service March 31st	3,221,487	3,247,487	3,253,487	3,303,487
Less Accumulated Depreciation on actual cost of plant in service (Estimat	(468,162)	(521,278)	(579,827)	(646,009)
Less Unamortized amount of capital contribution for plant in service	(1,585,172)	(1,581,373)	(1,551,575)	(1,521,776)
Estimated Rate Base at Year End	**1,168,153**	**1,144,836**	**1,122,085**	**1,135,702**
REQUIRED RETURN				
Non-operating Expenditures (B-2)	20,892	20,439	19,977	27,508
Less Non-operating Revenue (B-2)	(36,540)	(26,714)	(20,340)	(11,114)
Less Other Non-operating Revenue (B-2)				
Return on Rate Base	(15,648)	(6,275)	(363)	16,394
Required Rate of Return (Req'd Return/Est Rate Base)	**-1.34%**	**-0.55%**	**-0.03%**	**1.44%**

3.3.1 Findings

[40] The utility has not projected any new long-term debt and is using outside funding sources to fund its capital program over the test period. The Board finds the utility's non-operating revenue and expenses to be reasonable and accepts them as presented in the alternative rate study provided with the undertakings.

[41] The Board accepts the revised calculated rates of return, as shown in the table above, subject to the adjustment to remove the inclusion of earnings in the final test year.

4.0 REVENUE REQUIREMENT ALLOCATION

4.1 Utility Customers

[42] The utility does not provide Fire Protection service. As such, the revenue requirement, after considering non-operating revenue and expenses, is allocated to the utility's water service customers.

[43] The methodology the utility used to allocate revenue requirement to customer, base, delivery, and production charges, was similar to what it used in its last rate application. The allocations are consistent with the *Handbook*, except for transmission and distribution expenses and depreciation. The allocations the utility used for these expenses, and under the *Handbook*, are set out in the table below:

Transmission and Distribution		Customer	Base	Delivery	Production
2025/26	Utility		20%	80%	
	Handbook			100%	
2026/27	Utility		12%	88%	

	Handbook			100%	
2027/28	Utility			100%	
	Handbook			100%	
Depreciation		Customer	Base	Delivery	Production
All Years	Utility		100%		
	Handbook		40%	30%	30%

[44] These allocations allow the revenue from the customer and base charges to be 41.9% in 2025/26, 41.2% in 2026/27, and 40.1% in 2027/28.

[45] The utility currently has 137 metered customers, an increase of four customers since the 2017 rate application. The application projects that the number of customers will stay the same during the test period. The utility used the projected number of customers to calculate the proposed base charges in each of the test years.

[46] The current mix of customers consists of the following:

Customer Meter Size	Number of Customers
⅝”	121
¾”	4
1”	3
1 ½”	2
2”	6
3”	1
Total	137

[47] The calculation of overall consumption charges in the alternative rate study is based on actual annual water consumption of 29,983 m^3 in 2024/25. Although other water utilities in the province have recently experienced decreases in average residential consumption, the Sherbrooke utility is projecting average residential consumption to stay the same over the test years. The utility submitted that average usage has dropped over the last number of years and is now well below the provincial average, with little room to reduce consumption further. The utility did note that it is conducting a meter replacement program, most of which occurs in the final test year. After completing that program, the measurement of water not captured by the old meters could slightly increase consumption and reduce non-revenue water.

[48] Based on its assumptions about the number of customers and consumption volumes in the test years, the utility has proposed rate increases in each of the three test years, with the largest of the increases occurring in the first test year. The utility defended its approach, noting that it had taken several measures to delay increases past the first year, such as phasing-out the amortization of deferred assets, phasing-in of the remaining depreciation from last rate study over the final two test years, and only including earnings in the final test year. The utility noted that due to the current annual deficit, most of the increase in the first year was to bring revenue in line with expenses.

[49] Given the size of the increases proposed in this application, the Board is concerned about rate shock for customers. That said, at the hearing, the utility said it had not received any formal complaints about the proposed increases. The utility also noted that it has had deficits for several years, and due to the expected timing of any approved

rate increase, the first test year would also show a deficit, increasing the accumulated deficit slightly.

4.1.1 Findings

[50] The Board accepts the method used by the utility to distribute expenses to base, customer, delivery, and production charges. The Board also accepts the proposed allocation of depreciation and transmission and distribution expenses, which were set to reduce revenue risk to the utility by moving more expenses to the base charge than the *Handbook*'s suggested allocations.

[51] The Board accepts the projected number of customers over the test period and finds the projected consumption amounts to be reasonable, given the utility's recent history.

[52] Based on the information filed, the Board approves the customer rates as presented in the alternative rate study submitted with the responses to the undertakings for the first two test years, and the rate study filed using the assumptions requested by the Board, with no earnings, in the final test year.

[53] The Board also understands the utility's concerns about its cash flow issues falling to the Municipality and its need to reduce the accumulated deficit. It also appreciates that the utility's customers have benefited from stable rates over the past few years at levels that did not cover the actual costs incurred by the utility to provide them with water service. Although the Board accepts the reasons for the utility's inability to file a general rate application sooner, it results in customers seeing significant increases over the test years. Therefore, the Board finds it is appropriate to mitigate the impact of this by denying the utility's request for additional earnings in the final test year. As noted above,

the Board encourages the utility to file a rate application before the end of the final test year, so it can update rates to include paying down the accumulated deficit at that time.

5.0 SCHEDULE OF RATES AND CHARGES

[54] In addition to the proposed rate changes for water supply to its customers, the utility proposed changes to its Schedule of Rates and Charges for work performed for a variety of services. In response to IR-31, the utility noted that the proposed amendments were to increase the charge for services during regular business hours from $50 to $60 and from $100 to $200 for services outside of working hours. During the hearing, Mr. Isenor confirmed that the utility felt that the updated charges were reflective of the cost of providing those services. He also noted that each call-out would include one person and a vehicle.

5.1 Findings

[55] From the information presented, the Board finds that the utility's proposed Schedule of Rates and Charges is reasonable. The Board approves Schedule A and B, as filed in the alternative rate study [Exhibit S-6, pp. 73-78], and Schedule C as filed in response to the undertakings using assumptions requested by the Board [Exhibit S-6, pp. 36-38]. The rates in these schedules will come into effect on July 1, 2025, April 1, 2026, and April 1, 2027, respectively.

6.0 SCHEDULE OF RULES AND REGULATIONS

[56] In response to IR-32, the utility noted that it proposed amendments to two rules and the addition of four new rules:

> Rule # 25 Unauthorized Extensions, Additions or Connections
> Two sentences added “Any unauthorized connection shall be subject to removal by the Utility. The cost of the removal including labour and materials and an estimate of the water used together with a $200 service charge shall be paid by those who made the unauthorized connection.” This addition is requested to give the Utility the ability to correct Unauthorized Extensions, Additions or Connections.
>
> Rule # 27 Private Fire Protection
> Last sentence added “Responsibility for the installation and maintenance of all privately owned fire protection systems, including fire protection lines, sprinkler systems and hydrants shall be the responsibility of the owner.” This addition is requested to clearly state the Utility’s responsibilities with regard to Private Fire Protection systems.
>
> Rule #30 Reselling of Water
> This is a new clause to allow the Utility to regulate the reselling of water.
>
> Rule #32 Resumption of Service
> This is a new clause to clearly state that a suspended service for violation of the Rules and regulations will only be restored after the cause of the violation is removed.
>
> Rule #33 Theft of Service
> This is a new clause to clearly state the penalties for theft of service.
>
> Rule #35 Pressure Reducing Valves
> Part (b) “A customer receiving service water pressure less than that which is needed for domestic use and fire protection requirements shall be responsible for providing and maintaining, at no cost to the Utility, a suitable booster pump.” Has been added to clarify the Customer’s responsibility in relation to the provision of booster pumps.
>
> Rule #37 Water Conservation Directives
> This a new clause to give the Utility ability to suspend service if water conservation directives are not followed.
>
> [Exhibit S-4, pp. 21-22]

[57] During the hearing, the Board questioned the utility about Part (b) of Rule 35. The addition appeared to allow the utility to provide water at a pressure less than what is required for domestic use, and that if the owner wanted more pressure, they could install booster pumps at their own expense. The utility intended to say that if a customer wants more pressure than the amount supplied by the utility, provided minimum pressure requirements are met, the customer, at no cost to the utility, can install a suitable booster pump.

[58] To avoid the ambiguity of the rule, the Board suggested that the utility undertake to submit alternative language to make it clear what the utility is and is not

providing in the way of pressure, and the responsibility for increasing pressure above the minimum required. In response to the undertakings, the utility noted that it found no suitable alternative language, so it reverted to the original wording for Rule 35 in the updated Schedule of Rules and Regulations filed with the undertakings.

6.1 Findings

[59] The proposed Schedule of Rules and Regulations is generally consistent with most other water utilities in the province that have had recent rate applications. The Board approves the amendments and additions to the Schedule of Rules and Regulations noted above, as filed in response to the undertakings.

[60] The Board reminds the utility to regularly review its Regulations to ensure that they meet its needs and provide certainty for its customers. The Board notes that the utility can request Board approval to update existing regulations or add new ones at times other than a general rate application. If the utility wishes to update Rule 35 to fit with its intent, as discussed at the hearing, it may seek Board approval to do so at any time.

[61] The Board approves Schedule D, as presented in response to undertakings, effective July 1, 2025 [Exhibit S-6, pp. 82-91].

7.0 CONCLUSION

[62] The Board approves the Rates and Charges for Water and Water Services, effective July 1, 2025, April 1, 2026, and April 1, 2027, as shown in Schedules A and B from the alternative rate study [Exhibit S-6, pp. 73-78], and Schedule C, as filed in response to Undertaking U-2 [Exhibit S-6, pp. 36-38].

[63] The Board approves the Schedule of Rules and Regulations, as filed in response to the undertakings, as Schedule D [Exhibit S-6, pp. 82-91], with an effective date of July 1, 2025.

[64] The Board encourages the utility to file a rate application before the end of the final test year (March 31, 2028) to incorporate the paying down of the accumulated deficit.

[65] An Order will issue accordingly.

DATED at Halifax, Nova Scotia, this 26th day of June 2025.

Stephen T. McGrath

Julia E. Clark

M. Kathleen McManus