

DECISION

NSUARB-W-CAN-R-11
2011 NSUARB 84

NOVA SCOTIA UTILITY AND REVIEW BOARD



IN THE MATTER OF THE PUBLIC UTILITIES ACT

- and -

IN THE MATTER OF AN APPLICATION of the **VILLAGE OF CANNING**, on behalf of the **Canning 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: Kulvinder S. Dhillon, P.Eng., Member

APPEARING: **VILLAGE OF CANNING**

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

Ruth Pearson
Clerk/Treasurer

Joe Keddy
Head of Public Works Operations

HEARING DATE: April 12, 2011

FINAL SUBMISSION: May 9, 2011

DECISION DATE: June 8, 2011

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

I SUMMARY

[1] The Village of Canning (the "Village") applied to the Nova Scotia Utility and Review Board (the "Board") on behalf of the Canning Water Utility (the "Utility", the "Applicant") for amendments to its Schedule of Rates and Charges for Water and Water Services and its Schedule of Rules and Regulations pursuant to the *Public Utilities Act* (the "Act"), R.S.N.S. 1989, c. 380, as amended. The existing Schedule of Rates and Charges for Water and Water Services has been in effect since July 1, 2009, in accordance with the Board's Decision dated December 23, 2008. The existing Schedule of Rules and Regulations has been in effect since January 1, 2005.

[2] A Rate Study to support the Application, dated January 10, 2011, was prepared by G.A. Isenor Consulting Limited in association with W.H. Gates Utility Consultants Ltd. (the "Rate Study") and was submitted to the Board on January 14, 2011 (Exhibit C-2). In its response to Undertakings, the Utility filed revised schedules of the Rate Study, which did not amend any of the proposed rates. Unless otherwise indicated, the Decision refers to the original Rate Study (Exhibit C-2).

[3] The Application proposes rate increases for the fiscal years 2010/11, 2011/12 and 2012/13 (the "Test Years"). It is proposed to move to a single block consumption rate structure in line with industry trends. The proposed increases for unmetered, mainly residential customers, assuming quarterly consumption of 15,000 gallons, are 20.8% in 2011/12, 9.7% in 2012/13 and 5.6% in 2013/14. For metered services (i.e., 5/8" to 4"), the proposed increases range from 4.2% to 44.3% in 2011/12, 8.7% to 10.3% in 2012/13 and 5.2% to 5.8% in 2013/14.

[4] The Application also proposes amendments to the annual public fire protection charge to be paid by the Village to the Utility. The proposed increases are 13.0%, 19.8% and 10.4%, respectively, for each of the three Test Years.

[5] The public hearing was held at the Canning Fire Hall on April 12, 2011, after due public notice. Gerry A. Isenor, P.Eng., of G.A. Isenor Consulting Limited represented the Utility. The Utility was also represented by Ruth Pearson, the Village's Clerk/Treasurer and Joe Keddy, the Head of Public Works Operations. The Board did not receive any letters of comment and one resident spoke during the hearing.

[6] The rate increases are approved as amended. The Rules and Regulations are approved, as amended and requested by the Utility.

II INTRODUCTION

[7] The Utility serves the Village of Canning and the Kingsport area, in the Municipality of the County of Kings (the "Municipality"). The source of supply is from three wells located within the Village. Raw water from the wells is disinfected and then pumped to a storage reservoir for distribution. The distribution system consists of 50 mm to 250 mm diameter watermains. The oldest pipe in the system is about 60 years old.

[8] The Kingsport area is a newly serviced area by the Utility that caters to both seasonal and permanent customers. This service extension includes a new well and supplements the existing water supply system.

[9] In order to comply with the provisions of Nova Scotia Environment's ("NSE") *A Drinking Water Strategy for Nova Scotia* ("Drinking Water Strategy" or

"Provincial Regulations"), the Utility identified a need for number of system improvements including the installation of a new System Control and Data Acquisition (SCADA) system. In response to Information Requests ("IRs"), the Utility confirmed that all of these initiatives have been completed and that there are no related projects and funding included in the Application (Exhibit C-3, IR-4).

[10] The Utility's current level of non-revenue water is approximately 33%. The Rate Study contains operating and capital expenditures to further reduce the amount of non-revenue water through main replacements, regular leak detection surveys and replacing water meters.

[11] The Applicant currently serves 392 customers, most of whom are already metered. The Rate Study projects that there will be 63 new permanent and seasonal customers over the Test Years, mainly in the Kingsport area.

[12] The Application was presented to the Board based upon the need to adjust the rates as a result of increased operating costs and the projected infrastructure expenditure.

III REVENUE REQUIREMENTS

1. Operating Revenues and Expenditures

[13] The Rate Study indicates that the Utility had an excess of revenues over expenditures for the 2009/10 fiscal year of \$30,020 and an accumulated operating deficit as of March 31, 2010 of \$116,313. 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 \$3,053 and an operating deficit balance as at March 31, 2011 of \$119,366.

[14] The operating revenue for each of the Test Years is based on the volume of water used. The proposed increase in water consumption is in the Kingsport area, and is based on 25 new permanent customers and 17 new seasonal customers in 2011/12; four new permanent customers and eight new seasonal customers in 2012/13; and four new permanent customers and 5 new seasonal customers in 2013/14. Mr. Isenor added:

...Primarily, what's happening is that the system is being significantly expanded. There's no capital cost associated with it, but of course there is operational costs associated with it. And as such, we had to do estimates of the number of new customers that we might anticipate, given the community that we're in. So we've done that, and I'll be including those estimates as we go forward, and the number of customers.

[Transcript, p. 11]

[15] 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 \$289,137 at the end of the Test Period.

[16] Mr. Isenor explained:

...Primarily what we've laid out here is the projected operating costs for the Utility. We've got the actual for '09-10. We've got the budget for '10-11, and I inquired with the clerk whether or not she had first (close yet?) for '10-11, and she said no. It probably won't occur for another period of time, because the accountants have time to go to a number of places.

But based on that, we're projecting an operating deficit at the end of the current ... at the end of previous fiscal year, in other words March 31st, 2011, of approximately \$119,000 accumulated deficit. And without a rate increase, even with the new number of customers that we've projected, we would see that increasing to approximately \$289,000 at the end of the test period...

[Transcript, p. 14]

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

expenses are estimated to increase from \$13,511 in 2009/10 to \$17,012 in 2010/11.

The Applicant noted:

This has been anticipated due to the increase in costs for power with the installation of the three monitoring stations and equipment required to be run.

[Exhibit C-3, IR-7(a)]

[18] The Utility's Water Treatment expense is projected to increase from \$20,474 in 2009/10 to \$25,858 in 2010/11. In response to IRs, the Applicant stated that this is due to the addition of the Kingsport area (Exhibit C-3, IR-7(b)). However, this was corrected at the hearing:

...In IR-7(b), we stated that that was due to the Kingsport addition and the change from '10-11 from '09-10. That, in fact, was a bit of a misnomer. It's due to the increased regulations from the Province of Nova Scotia, the Department of Environment, in particular the testing regimes that they've put in place, which are significantly more expensive than what they were previously.

[Transcript, p. 15]

[19] The Administration and General expense is budgeted to increase to \$66,797 in 2010/11 from \$58,711 in 2009/10. The Utility explained:

Salary increase and increases in office expenditures with monthly statements as well as increased insurance expenses for the new monitoring stations and monitoring equipment.

[Exhibit C-3, IR-7(d)]

[20] The Board questioned the existing process of cost allocation:

Board: ...the cost of the Village is split between the Utility and the general operation 80/20, 80 percent goes to the Utility and 20 goes to the general operations. I just wonder how far back did you determine that 80/20 is still the right figure. Like, did you look at that last year or three years ago or five years ago or how often you review that, Ms. Pearson?

Ms. Pearson: The Commission hasn't reviewed it. It was set prior to my coming on. I've only been there for three years, and that's what the determination was at that point, and they've just set it at that rate. They haven't really reviewed.

[Transcript, pp. 67-68]

[21] 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 remaining Test Years, with the exception of Power and Chemicals which have been increased by 10% in 2011/12 and 5% in 2012/13 to allow for the recent volatility in the cost of these two items.

[22] The additional cost of power and pumping, water treatment and transmission and distribution to the Kingsport area has been calculated based on the volume of water projected to be needed for that area (Exhibit C-2). The Applicant explained the methodology used:

... we were a bit challenged to come up with a rationale for doing that. But what we did is we based it on the number of customers that we were adding each year.

... And we based it on their average usages as we had calculated for permanent versus seasonal. We also added in water for flushing of the mains. Because when we don't have enough customers, we spend some time flushing mains. And with that, we calculated that the Kingsport expansion would take about two million gallons of water to operate it. And currently, the Canning currently sells in the order of 20 million gallons of water. So we took a straight percentage of that and said that the costs for operating things like chemicals and pumping and all that would go up in direct proportion to the amount of water used...

... It was applied to "power and pumping", it was applied to "water treatment", and it was applied to "transmission and distribution".

[Transcript, pp. 25-26]

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

Mr. Isenor: ... The other thing that's here and that will come up as we go along is the depreciation account, which ... well, not just the account, but the amount of depreciation calculated. We brought in the Kingsport Extension over a two-year period, 50 percent this year, and 50 percent the next year. Now, here we had a request from the Village that the addition of the Kingsport system not cost the existing customers ... cause the existing rates to go up for the customers in the Village. So to address that situation, we worked with the Village and with the Municipality and, in fact, did two sort of surrogate water rate analyses [sic] of having Kingsport as part of the system and having it as ... having the Village as

a stand-alone system. And from that work, we determined that we could depreciate approximately 80 percent of the capital value of the Kingsport Extension. That is a totally donated asset, it's approximately \$2.4-million donated by the Municipality. But we have included in our rate structure depreciation on 80 percent of that asset.

Board: So which year that will be? 80 percent ...

Mr. Isenor: That's ... it starts in the first test year, we bring half of it in. And in the second test year, we bring the other half in. So in '11-12, we bring 50 percent of it in, and in '12-13, we bring in the other 50 percent.

Board: So increase from 63 to 86, is half, roughly ...

Mr. Isenor: About half of it ...

...

Board: So you won't ever get for other 20 percent, is that the proposal?

Mr. Isenor: We're not, no, the commitment made by the Village Commission to the Village residents, the existing rate payers, was that they would add Kingsport, but that it wouldn't cost money.

[Transcript, pp. 15-17]

[24] The Board expressed concern regarding the balance of 20% depreciation being not included in the Test Years and its impact on water rates. The following exchange ensued:

Board: But we're not talking different rates for Kingsport and the Canning itself, or are we?

Mr. Isenor: No, we're talking single rate. And, in fact, the Canning system will take over ... will acquire the assets. There's a transfer agreement in the works right now to transfer the Kingsport system to the Canning Water Utility.

Board: So the only reason why we are ... or why you are proposing 80 percent instead of 100 percent is to keep the rates down?

Mr. Isenor: To keep the rate consistent with what it would have been had Kingsport not been added to the system.

Board: But I think the application, when it was made to the Board back two years ago, year and a half ago ... the idea was that since the fire protection charge is going to go down for the Canning, they'll pick up the difference if there is one.

Mr. Isenor: ...they still would like to see the fire protection rate go down, but not see the water rates increase.

[Transcript, pp. 17-18]

[25] The Applicant, in response to Undertaking U-2, provided the rates and fire protection charges for 2013/14 assuming 100% depreciation is included in that test year instead of 80%.

Findings

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

[27] 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 for the Kingsport area as well as the allocation of costs between the Village and the Utility and the allocation of costs among the Utility's cost centres. Based upon the information provided, the Board accepts the operating expenses as contained in the Rate Study.

[28] The Board encourages the Utility to review the allocation of costs between the Village and the Utility to ensure that the Utility is paying a fair and equitable share of its costs. This will also provide Council and Administration with the best financial information available when making budgeting decisions.

[29] The Board understands that the Utility continues to attempt to reduce the amount of non-revenue water and it accepts the projected Transmission and Distribution expenses, which include the costs associated with the leak detection program. The Board notes that if the leak detection program is successful, the costs attributed to Source of Supply, Water Treatment and Distribution will be reduced.

[30] The Board also understands that the annual depreciation expense is based upon the Utility's projected capital budget and 80% of the Kingsport area related assets as contained in the Rate Study. However, the Board believes that 100% of the Kingsport area assets should be depreciated in 2013/14, the last year of the test period, to better account for all the assets deployed in the area being serviced by the Utility.

[31] The Board approves the operating revenue and expenses as amended with 100% depreciation in 2013/14 as per response to Undertaking U-2.

2. Capital Budget and Funding

[32] The Rate Study includes the Utility's proposed infrastructure additions of \$2,488,922 in 2011/12, \$12,000 in 2012/13 and \$12,000 in 2013/14. As noted in response to IRs (Exhibit C-3, IR-14), the capital projects include a host of items related to the Kingsport area totalling \$2,476,922 in 2011/12 and the replacement and/or repair of water meters, fire hydrants and components of the distribution system, totalling \$12,000, to be undertaken in each of the Test Years.

[33] The Utility also noted that to reduce its level of non-revenue water there is a need for the minor repair and replacement of components of the water system.

[34] The proposed funding for the 2011/12 capital budget is to come from the capital contribution from the Municipality (\$2,476,922) for the Kingsport area and the Utility's depreciation fund, totalling \$12,000 (Exhibit C-3, IR-16). The 2011/12 and 2012/13 capital budgets are proposed to be funded entirely from the Utility's depreciation fund.

[35] The Rate Study indicates that the balance in the depreciation fund as at March 31, 2011 is \$28,599 and that, based upon the proposed funding, the balance will be \$292,484 at the end of the Test Period. The closing balance includes a transfer from the depreciation fund to operations to be used towards the payment of debt principal in the amount of \$109,000 in 2010/11, already approved by the Board in a separate application by the Utility.

[36] At the hearing, the issue of inadequate funding of the depreciation account was discussed.

Board: ... "At March 31st, 2009, water operating fund owed the water capital fund 266,000." Which really ... what it means is that the Utility owes the capital fund 266,000 as of March 31st, 2009. So when we said they're funded, the question is did you put 266,000 in that account?

Mr. Isenor: No, they didn't rectify the past. What they've done is they've started to fund on a go-forward basis, and they funded ...

...

Board: So there is still a deficiency of that amount which has been carried forward ...

Mr. Isenor: There is a deficiency set in there, yes.

...

Board: ... And I just note that Board made that comment in last hearing too, that the Village should try to fund that fund ...

Mr. Isenor: ... What they've done this time is they've started funding it, and they've committed to continue funding it on a go-forward basis. But we haven't built anything into these rates to try to correct that situation. We already have a \$120,000 operating deficit.

...

[Transcript, pp. 37-40]

Findings

[37] The Utility's largest capital expenditure, the Kingsport area, is funded in full by the Municipality.

[38] The Board notes that the Utility has proposed a maintenance program, which includes the replacement and/or refurbishment of water meters, fire hydrants and minor components of the distribution system in the capital budget for the Test Years. These initiatives are expected to result in a reduction of operating costs, with reduced volume of non revenue water. The Board approves these expenditures and encourages the Utility to continue pursuing these initiatives.

[39] The Board finds the proposed capital budgets for each of the three Test Years of the Rate Study to be reasonable. The Board approves the proposed funding of the Utility's share of the capital projects through depreciation.

[40] In the Board's 2008 Rate Decision, the Utility was directed to address the issue with the depreciation fund:

The Board orders the Utility to analyze the "Due from Water Operating Fund" and ensure that the appropriate amount for depreciation be placed in the separate bank account.

[2008 NSUARB 169, p.36]

[41] While the depreciation fund is still underfunded, the Board notes that some progress has been achieved by the Utility. Notwithstanding this, the Board directs the Utility to pursue this matter with urgency, so as to bring the depreciation fund to its rightful level.

3. Non-Operating Expenditures

[42] The Rate Study includes projections of non-operating expenditures for the Test Years. The Utility's accumulated operating deficit as at March 31, 2011 is estimated to be \$119,366.

[43] The non-operating expenses include principal and interest charges related to the Utility's existing debt from the Municipality. As per response to IR-8, this debt is related to the implementation of the SCADA system approved in the last rate review. This debt will be retired within 10 years.

[44] The Applicant provided a payment schedule for this loan in response to Undertaking U-5.

[45] The payment schedule to fund the long term debt in 2010/11 is included in the Application.

[46] The Application includes dividend payments to the Village in the amounts of \$8,000 in 2012/13 and \$25,000 in 2013/14. The Applicant explained the rationale for dividends as follows:

... that dividend will be used to pay down the debt on the existing ... the deficit at the ... on the existing Water Utility deficit, which is ... I'm calculating will ... based on a July 1st new rate structure, probably be in the order of 125 to \$127,000.

...

... the only reason we chose that number was just to try to moderate the rates while looking at trying to get it paid down at the same time. At 25,000, if it is in fact 125,000, then in three to four years after that, they should have it paid off.

...

[Transcript, p.20]

[47] The Utility's return on rate base for each of 2011/12, 2012/13 and 2013/14 is calculated to be 0.98%, 2.24% and 4.22%, respectively.

Findings

[48] The Board finds the Utility's non-operating expenses, as presented in the Application, are reasonable and are approved, subject to the following comments respecting the proposed "Dividend to Owner".

[49] The Board approves the requested "Dividend to Owner" in 2012/13 and 2013/14 of \$8,000 and \$25,000, respectively. However, this approval is conditional on the understanding that the payments to the Village will not take place until the Utility's deficit is eliminated and the depreciation account is fully funded.

[50] The Board finds the Utility's return on rate base reasonable and is approved.

IV ALLOCATION OF REVENUE REQUIREMENTS

1. Public Fire Protection

[51] The methodology used in the determination of the public fire protection charge is consistent with the majority of other water utilities in the Province and the Board's *Water Utility Accounting and Reporting Handbook* ("Accounting Handbook").

The Applicant explained:

... we used the Board recommended practice of 60-40, there was no reason not to. And with the addition of the new infrastructure and the addition of the new reservoir, the ... it works out that the fire protection rate, which is currently in the order of \$60,000, will increase to \$69,000 to 83,000, to 91,000 in the final test year.

[Transcript, p. 45]

[52] The allocations of utility plant in service to fire protection in 2011/12, 2012/13 and 2013/14 are 27.9%, 29.3% and 29.9%, respectively. The fire protection

charge, currently \$61,332, is proposed to be \$69,295, \$83,037 and \$91,632 in 2011/12, 2012/13 and 2013/14, respectively.

Findings

[53] Based upon the information provided, the Board approves the methodology and the calculated public fire protection charges as proposed in the Application.

2. Utility Customers

[54] The remaining revenue requirement, after the allocation to fire protection charge, is to be recovered from the customers of the Utility. The revenue requirement is allocated to base charge, customer charge, delivery and production, using the methodology as set out in the *Accounting Handbook*.

[55] The calculation of consumption charges is based upon the total current annual water consumption of 18,782,561 gallons, which is projected to grow to 20,654,568 gallons at the end of the Test Period.

[56] 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 is proposing a single block rate structure similar to other water utilities in the Province.

Findings

[57] The Board approves the methodology used in the allocation of expense items to the base charge, customer charge, delivery and production categories, which is consistent with the *Accounting Handbook*.

[58] The Board also approves the Utility's request for a single block rate structure, as proposed.

V SUBMISSIONS

[59] Meryl MacDonald, a resident of Kingsport, spoke during the hearing and indicated that she was involved in the construction of the water project. She is pleased with the co-operation of the Utility during the implementation, particularly with the availability of information:

... and I was particularly pleased with Ms. Pearson explained very clearly that it's been indicated to the residents of Canning and area that any increase that has been incurred has not been due to Kingsport coming on stream, because that definitely was a concern, I'm sure, of the Canning residents originally. But I was pleased to hear that. And I'm quite satisfied with all the ... with the presentation that's been made and the application that's been made to the UARB.

[Transcript, p. 76]

VI MISCELLANEOUS RATES AND CHARGES

[60] The Application proposes certain changes to its Schedule of Rates and Charges which are as follows:

1. Rates – Fixture Rates have been replaced by unmetered rate
2. Public fire protection – Payment due date set at September 30
3. Rates for sprinkler service – Revised charge for 6" at \$200.00; Revised charge for 8" at \$250.00
5. Private Hydrant Charge - New
6. Rates for Water Supplied from Fire Hydrants - New
7. Charge for Re-establishing Water Service – Moved from Rules and Regulations and rate changed from \$25.00 to \$50.00 during regular hours and \$150.00 after hours

- 8 Connection Fee – New \$50.00
- 9 Disconnection Fee – New \$50.00 during regular hours and \$150.00 after hours
- 10 Special Service Charge – New \$50.00 during regular hours and \$150.00 after hours
- 11 Charge for Non-Negotiable Cheques – New \$25.00
- 12 Charge for Missed Appointments – New

[Exhibit C-3, IR-22]

[61] The Applicant explained that the proposed amendments are being made to align with other utilities and to more appropriately reflect the cost of providing the service.

Findings

[62] The Board has reviewed the proposed amendments to the Schedule of Rates and Charges and approves the amendments.

VII SCHEDULE OF RULES AND REGULATIONS

[63] Mr. Isenor reviewed the Utility's proposed amendment to the Schedule of Rules and Regulations:

...IR-24 lays out the changes in the rules and regulations. It's certainly fair to say that what we're proposing is consistent with others in the province. And it's also fair to say that we spent considerable time with the Village Commission going through it to ensure that they were aware of and in agreement with the changes in the rules and regulations, because they were significant.

[Transcript, p. 52]

[64] Regulation 5 was amended to consider seasonal customers. Mr. Isenor explained:

... where we are requesting permission to [send] the base charge for the entire year for seasonal customers, even if they have the ... regardless of whether or not they have the water turned on. We understand that's been done in one other utility in Annapolis Royal, which has the same issues that this Utility is getting into very quickly with the Kingsport Extension, and that is a large number of seasonal dwellings ...

[Transcript, p. 52]

[65] Regulation 25 was amended to accommodate the large number of new customers. Mr. Isenor added:

... In the past, the Utility has provided the service pipe at no cost to the customer. In discussion with the Utility, that really hasn't been an issue in the past, because there wasn't a whole lot of new customers. But it was determined that the best line of ... best course of action for this Utility would be to make the customer responsible for installing their own service pipe.

[Transcript, p. 56]

[66] Regulation 38 covering Extensions, is amended to include the need for Board approval as noted in response to Undertaking U-3.

Findings

[67] The Board notes that the proposed changes to the Utility's Schedule of Rules and Regulations are consistent with most other water utilities in the Province, which have had rate applications recently approved by the Board.

[68] The Board approves the Schedule of Rules and Regulations as amended.

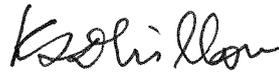
VIII CONCLUSION

[69] 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 amendments noted above, and are attached hereto as Schedules "A", "B" and "C", respectively.

[70] The Board approves the Schedule of Rules and Regulations, with the revisions noted above, attached hereto as Schedule "D", with an effective date of July 1, 2011.

[71] An Order will issue accordingly.

DATED at Halifax, Nova Scotia, this 8th day of June, 2011.



Kulvinder S. Dhillon

V. Soli

SCHEDULE A
CANNING WATER UTILITY

SCHEDULE OF RATES AND CHARGES
FOR WATER AND WATER SERVICES

**(Effective for water and water services
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 1.5% 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 word "Utility" means the Water Utility of the Village of Canning.

1.	<u>RATES</u>	<u>Quarterly</u>
	Unmetered Rate (based on 15,000 imp gallons per quarter)	\$ 115.19

(a)	<u>Base Charges</u>	<u>Quarterly</u>
	Size of meter	
	5/8"	\$ 45.60
	3/4"	66.54
	1"	108.40
	1.5"	213.05
	2"	338.64
	3"	673.54
	4"	1,050.30
	6"	2,096.87

(b)	<u>Consumption Rate</u>
	\$4.64 per 1,000 imp gallons

(c)	<u>Minimum Bill</u>
	The minimum bill shall be the Base Charge.

2. **PUBLIC FIRE PROTECTION RATE**

The Village of Canning and the Municipality of the County of Kings shall pay annually in proportion to the number of hydrants located in each municipal unit as of April 1, 2011,

Schedule "A"
Canning Water Utility
Rates - 2011

to the Canning Water Utility for fire protection on or before September 30, 2011, the sum of \$69,295. The fire protection rate shall be calculated based on the number of days at the existing rate plus the number of days at the new rate.

3. RATES FOR SPRINKLER SERVICE

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

Each building serviced by a sprinkler service pipe of 6" or less in diameter	\$200.00
Each building serviced by a sprinkler service Pipe of 8" or more in diameter	\$250.00

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 any water service 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 water service box, 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. PRIVATE HYDRANT CONNECTION RATES

Per hydrant per year \$200.00.

6. 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 Water Utility, at meter consumption rates.

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 \$150.00.

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 requests the water be turned off from any premises for an extended period of time, 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 \$150.00 shall apply.

10. SPECIAL SERVICE CHARGE

A special service charge of \$50.00 (\$150.00 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 the schedules or the rules and regulations except for water service repairs requested by the Utility. 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.

11. CHARGE FOR NON-NEGOTIABLE CHEQUES

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

12. CHARGE FOR MISSED APPOINTMENT BY CUSTOMERS

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 a property, or other visits to the property for the inception or 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 \$50.00 for each visit if, in the judgment of the Utility, it is required.

K. DeWitt

SCHEDULE B

CANNING WATER UTILITY

**SCHEDULE OF RATES AND CHARGES
FOR WATER AND WATER SERVICES**

**(Effective for water and water services
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 1.5% 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 word "Utility" means the Water Utility of the Village of Canning.

1. <u>RATES</u>	<u>Quarterly</u>
Unmetered Rate (based on 15,000 imp gallons per quarter)	\$ 126.35

(a) <u>Base Charges</u>	<u>Quarterly</u>
Size of meter	
5/8"	\$ 49.17
3/4"	71.86
1"	117.23
1.5"	230.66
2"	366.78
3"	729.77
4"	1,138.12
6"	2,272.44

(b) <u>Consumption Rate</u>
\$5.15 per 1,000 imp gallons

(c) <u>Minimum Bill</u>
The minimum bill shall be the Base Charge.

2. PUBLIC FIRE PROTECTION RATE

The Village of Canning and the Municipality of the County of Kings shall pay annually in proportion to the number of hydrants located in each municipal unit as of April 1, 2012, to the Canning Water Utility for fire protection on or before September 30, 2012, the sum of \$83,037.

3. RATES FOR SPRINKLER SERVICE

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

Each building serviced by a sprinkler service pipe of 6" or less in diameter	\$200.00
Each building serviced by a sprinkler service Pipe of 8" or more in diameter	\$250.00

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 any water service 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 water service box, 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. PRIVATE HYDRANT CONNECTION RATES

Per hydrant per year \$200.00.

6. 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 Water Utility, at meter consumption rates.

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 \$150.00.

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 requests the water be turned off from any premises for an extended period of time, 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 \$150.00 shall apply.

10. SPECIAL SERVICE CHARGE

A special service charge of \$50.00 (\$150.00 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 the schedules or the rules and regulations except for water service repairs requested by the Utility. 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.

11. CHARGE FOR NON-NEGOTIABLE CHEQUES

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

12. CHARGE FOR MISSED APPOINTMENT BY CUSTOMERS

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 a property, or other visits to the property for the inception or 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 \$50.00 for each visit if, in the judgment of the Utility, it is required.

K. Shillan

SCHEDULE C

CANNING WATER UTILITY

**SCHEDULE OF RATES AND CHARGES
FOR WATER AND WATER SERVICES**

**(Effective for water and water services
supplied on and after April 1, 2013)**

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 1.5% 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 word "Utility" means the Water Utility of the Village of Canning.

1. <u>RATES</u>	<u>Quarterly</u>
Unmetered Rate (based on 15,000 imp gallons per quarter)	\$ 134.89

(a) <u>Base Charges</u>	<u>Quarterly</u>
Size of meter	
5/8"	\$ 52.05
3/4"	76.14
1"	124.32
1.5"	244.76
2"	389.28
3"	774.70
4"	1,208.28
6"	2,412.69

(b) <u>Consumption Rate</u>
\$5.52 per 1,000 imp gallons

(c) <u>Minimum Bill</u>
The minimum bill shall be the Base Charge.

2. PUBLIC FIRE PROTECTION RATE

The Village of Canning and the Municipality of the County of Kings shall pay annually in proportion to the number of hydrants located in each municipal unit as of April 1, 2013, to the Canning Water Utility for fire protection on or before September 30, 2013, the sum of \$93,523.

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

(a) the sum of 45.0% 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 the greater.

In subsequent years, the Village of Canning and the Municipality of the County of Kings shall pay in proportion to the number of hydrants serving each municipality as of April 1 of that year.

3. RATES FOR SPRINKLER SERVICE

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

Each building serviced by a sprinkler service pipe of 6" or less in diameter	\$200.00
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Each building serviced by a sprinkler service Pipe of 8" or more in diameter	\$250.00
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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 any water service 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 water service box, 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. PRIVATE HYDRANT CONNECTION RATES

Per hydrant per year \$200.00.

6. 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 Water Utility, at meter consumption rates.

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 \$150.00.

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 requests the water be turned off from any premises for an extended period of time, 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 \$150.00 shall apply.

10. SPECIAL SERVICE CHARGE

A special service charge of \$50.00 (\$150.00 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 the schedules or the rules and regulations except for water service repairs requested by the Utility. 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.

11. CHARGE FOR NON-NEGOTIABLE CHEQUES

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

12. CHARGE FOR MISSED APPOINTMENT BY CUSTOMERS

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 a property, or other visits to the property for the inception or 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 \$50.00 for each visit if, in the judgment of the Utility, it is required.

Verdon

SCHEDULE "D"

CANNING WATER UTILITY

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

(Effective July 1, 2011)

1. In these Regulations unless the context otherwise requires, the expression:
 - (a) "Village" means the Village of Canning;
 - (b) "Utility" means the Canning Water Utility;
 - (c) "Municipality" means the Municipality of the County of Kings;
 - (d) "Customer" means a person, a property owner, firm or corporation who, or which, contracts to be supplied with water at a specific location or locations;
 - (e) "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.

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.
 - d) Where service is supplied to a condominium unit, the Condominium Corporation in which the unit is situated shall be deemed to be the customer of record and shall be liable for payment of the service bill for the condominium unit.

Schedule "D"
Canning Water Utility
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3. Deposits: The Utility requires all prospective customers to complete an application form prior to rendering service. The application shall clearly specify the purpose for which the water is to be used and no water service shall be furnished until said application has been signed and submitted by the applicant. When required, an applicant for service shall deposit with the Utility a sum equal to the previous year's average bill for the meter size for such service for a period of three months, or such lesser amount as the Utility may demand (a minimum of \$50.00). 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 the 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 based on the rate of interest obtained by the Village of Canning on its surplus cash balances on deposit with its banker as at March 31 of each fiscal year.
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. Billing: If a contract is entered into or terminated at any time other than a regular billing date, the amount to be charged to the customer shall be the pro rata proportion to the next billing date, of the regular service charge for the billing period, plus the consumption charge, if any.
6. Payment of Bills: Bills shall be rendered to each customer at intervals of approximately three months (quarterly) and shall be payable within thirty days after the date rendered. Bills are due on the billing date and bills not paid within thirty days after the billing date shall be subject to the interest charge as set out in the Schedule of Rates and Charges.
7. 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) Customers Over-billed - Should 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.

Schedule "D"
Canning Water Utility
Rules and Regulations - 2011

8. Meter Reading: In the case of Metered Service Customers who are billed quarterly, meters shall be read in at least two of the four quarters, normally, the second and fourth, and, subject to Regulation 7, each billing for these quarters shall be based upon the meter reading with adjustment for any earlier estimated reading. The Utility may, at its option, estimate the readings in the alternate quarters based on the actual consumption from the previous quarter. In the case of Metered Service Customers who are billed monthly, meters shall be read monthly.
9. 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.
10. Suspension of Service for Non-Payment of 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 reconnection fee as set out in the Charges for Re-establishing Water Service in the Schedule of Rates and Charges after each suspension. Service suspension can be delayed if approved payment arrangements have been made and the customer is in compliance with arrangements.
11. Water to be Supplied by Meter: Except where water is used for construction purposes from a hydrant under the supervision of the Utility and except as in these regulations otherwise provided, all services other than those used exclusively for fire protection shall be metered. Any building occupied by more than one tenant may have a separate meter with appropriate isolation valves for each tenant. With the Utility's approval, such a building may be serviced by one meter, provided the landlord is the 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.
12. 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.
13. Meter Readers: Each meter reader shall be provided with an official identification, which he/she shall exhibit on request.
14. 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.

Schedule "D"
Canning Water Utility
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15. 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 exchanged 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.

16. 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 forty days from the date rendered, the supply of water to the customer concerned may be suspended until all charges are paid.
17. Meter Testing: On the request to have their residential meter tested, the Utility shall charge the sum of \$100.00 to defray, in part, the cost of making the test for meters up to 1½ inch 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.
18. 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 of Kings County 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.
19. 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.

20. Cross Connection Control & Backflow Prevention

- (a) No owner, consumer, 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 provisions 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.

21. Alternate Water Supply Prohibited: Connection of any customer's water system, which is served by the Utility, to any other source of water supply is prohibited. Failure to comply with this regulation shall entitle the Utility to suspend the service.

22. 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.

Schedule "D"
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23. 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.
24. Improper Use or Waste of Water: No customer shall permit the improper use or waste of water, such as providing water to more than one single family dwelling and/or apartment building from a single service, 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.
25. New 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 customer shall install a service pipe which the Utility considers to be of suitable size and capacity from the water main to the street line. No pipe smaller than 3/4" (19mm) in diameter shall be laid for any service.

The necessary excavation for the laying of the service pipe, including the supplying and installation of the water pipe and all associated fittings including tapping the main, backfilling, and replacement of the street and sidewalk surfaces, and the restoration of all landscaping, driveways and associated works from the water main in the street to the curb stop shall be provided by the Applicant without cost to the Utility. The installation of the service pipe shall be inspected by the Utility staff at such times as specified by the Utility staff.

The applicant shall provide the necessary excavation for the laying of the service pipe including the supplying and installation of the water pipe and all associated fittings including backfilling and replacement of the driveway surfaces, and the restoration of all landscaping, and associated works from the curb stop to the building and all such work shall be performed without cost to the Utility. The installation of the service pipe shall be inspected by the Utility staff at such times as specified by the Utility staff.

The excavation may be the same excavation as is used for the sewer service pipe or if minimum horizontal and vertical separation between the water and sewer pipes cannot be obtained, a separate excavation for the water service pipe shall be required. In either case, the excavation is to be provided by the applicant to the satisfaction of the Utility.

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 the 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 Rules and Regulations of the Village and to the satisfaction of the Utility.

Schedule "D"
Canning Water Utility
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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.

26. Repairs to Services: 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 street 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 and their 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, they refuse or unduly delay 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.

27. Customer Work Performed by the Utility: Whenever a customer requests the Utility to do work for which the customer is required to pay and the Utility agrees to do the work, the customer shall deposit with the Utility, before the work is started, a sum of money equal to the Utility's estimate of the probable cost of said work. When the actual cost is determined, an adjustment in the payment shall be made. Installations shall be made in accordance with the Canning Water Utility specifications and be subject to inspection by the Utility's Engineer or Utility's Employees prior to water service being made available.

28. 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. 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.

29. 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.

30. 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.

31. 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 water for any purpose.

Schedule "D"
Canning Water Utility
Rules and Regulations - 2011

32. 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 a Fire Department engaged in the work of such Department, from using any hydrant or other source of water supply designated by the Utility for fire protection purposes.
33. 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.
34. 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.
35. 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. Fire protection lines within buildings shall be so installed that all pipes will be open and readily accessible for inspection at any time and no connection other than for fire protection shall be made thereto.

The location and spacing of hydrants in new construction shall be installed in accordance with the Canning Water Utility specifications.

36. 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 customer's 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.
37. 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.

38. Extensions: Any owner of property situated on a street or highway in which no water main has been laid (or where the main has been laid, but has not been extended to the point opposite the owner's property), may make application to the Utility requesting permission to have such a servicing extension carried out. The Utility would review the application and either give approval in principle for the extension subject to the approval of the Nova Scotia Utility and Review Board (NSUARB), or advise the property owner that the extension is not feasible, and will provide the owner with the reason for refusing permission.

After approval in principle has been granted, the owner may sign a contract with the Utility requesting that the Utility install the water extension at his expense, or the owner may have the water line extended by a private contractor approved by the Utility. When the latter is done, the extension must be designed and the construction supervised by a registered professional engineer with the design being approved by the Utility.

In any event, the cost of the extension shall be paid fully by the owner and the ownership of the water line turned over to the Utility before any water services are connected to the extended line.

After the water line has been turned over to the Utility, it shall become part of the Village water utility and all of these regulations affecting the operation of the Utility shall apply.