



**THE ISLAND REGULATORY AND  
APPEALS COMMISSION**  
Prince Edward Island  
Île-du-Prince-Édouard  
CANADA

Docket UW26306  
Order UW08-05

**IN THE MATTER** of an  
application by the Seawood Water Utility  
Corporation for approval to increase its annual  
water rates and charges.

**BEFORE THE  
COMMISSION**

on Monday, the 6th day of October, 2008.

Maurice Rodgeron, Chair  
Brian McKenna, Vice-Chair  
John Broderick, Commissioner  
Chester MacNeill, Commissioner

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# Order

Compared and Certified a True Copy

(Sgd) *Linda Allen*

Technical and Regulatory Services

**IN THE MATTER** of an  
application by the Seawood Water Utility  
Corporation for approval to increase its annual  
water rates and charges.

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# Contents

CONTENTS .....II

REASONS FOR ORDER.....1

1. *Introduction* .....1

2. *The Application* .....1

3. *Background* .....2

4. *Discussion & Findings* .....2

    4.1 *Shortfall Recovery*.....2

    4.2 *Treatment of Capital Assets* .....3

    4.3 *Billing of Serviced Lots* .....3

    4.4 *Turning On/Off Water Service* .....4

    4.5 *Bad Debt Expense* .....5

5. *Conclusion*.....5

6. *Disposition*.....6

ORDER

**IN THE MATTER** of an  
 application by the Seawood Water Utility  
 Corporation for approval to increase its annual  
 water rates and charges.

# Reasons for Order

## 1. Introduction

[1] On April 15, 2008, the Seawood Water Utility Corporation (the “Utility”), which operates as a privately-owned water utility in the Cavendish area, filed an application with the Commission for approval to increase water rates and charges, effective January 1, 2008.

## 2. The Application

[2] Specifically, the Utility’s application requested that the water rates be increased as follows:

	Customers Served Over 6 Months		Customers Served 6 Months or Less		Frontage Rate Only	
	Current	Proposed	Current	Proposed	Current	Proposed
Annual Rate	\$315.00	\$493.00	\$210.00	\$329.00	\$105.00	\$164.00

[3] On June 19<sup>th</sup>, 2008, the Commission mailed a Notice of Application to each of the Seawood water customers. The Notice outlined the Utility’s proposal for increased water rates and invited written comments on the application. The deadline to respond to the Notice was July 11, 2008, however, an extension was provided to allow certain customers residing outside the province sufficient time to correspond.

[4] A number of written comments were received in response to the Notice of Application. As a result, the Commission established a process whereby the parties were able to communicate questions and concerns directly to one

another. Key issues raised by the Respondents related to the Utility's treatment of capital assets associated with the water utility, the recovery and amount of the Utility's deficit, and the appropriateness of billing for serviced lots owned by the Seawood Corporation.

### 3. Background

[5] Seawood Estates Water Utility Corporation is a privately-owned facility located in the Cavendish area. When the utility was first developed in the 1960s it offered both water and sewer services. Its complement of residents is made up primarily of seasonal owners, with many living off-Island. The original tariff of rates was devised in a simplified manner which combined both water and sewer services under one rate.

[6] In 2003, the Cavendish utility took over the responsibility of Seawood's sewer assets and joined the operation with their municipally-run wastewater system. Sewer customers in Seawood are overseen and billed by the Cavendish utility and charges are based on Cavendish's tariff of rates. Water customers remain the responsibility of the Seawood Water Utility Corporation and are billed under Seawood's tariff. In 2007, the Commission issued Order UW07-02 allowing the Seawood Utility to increase rates and, in 2008, Seawood filed this application requesting an additional increase.

## 4. Discussion & Findings

### 4.1 Shortfall Recovery

[7] Respondents to the Notice raised concerns over the Utility's deficit and their approach to recovering the shortfall. Table 1 summarizes the Utility's income and expenses since 2003:

**Table 1** — Summary of Revenues and Expenditures 2003 - 2007

	<b>Annual Total Revenues</b>	<b>Annual Total Expenditures</b>	<b>Annual Deficit</b>
2003	\$14,284	\$20,698	(\$6,414)
2004	\$14,649	\$17,826	(\$3,177)
2005	\$15,316	\$19,707	(\$4,391)
2006	\$15,183	\$24,503	(\$9,320)
2007	\$27,125	\$35,693	(\$8,568)
<b>TOTALS</b>	<b>\$86,557</b>	<b>\$118,427</b>	<b>(\$31,870)</b>

[8] As indicated in the table, there has been insufficient revenue generated to offset the Utility's expenditures in each of the years since 2003. While the 2007 rate increase offered some relief, it did not adequately meet the Utility's expenditures and has resulted in the Utility's request for an additional increase in 2008.

[9] A review of the Utility's financial statements shows that repair and maintenance costs have doubled since 2004, costs to meet legislated testing standards and water quality assurance represent roughly one-quarter of the Utility's total expenditures and electricity costs have almost doubled in one year — all of which contribute to the Utility's need for additional revenue.

[10] In the past, the Utility's owner has carried the shortfalls each year. The Commission's 2007 rate Order to Seawood instructed the Utility to properly account for the losses by establishing a loan repayment schedule at prevailing interest rates in order to recover the deficit over a reasonable period of time.

[11] The Utility, in this application, has proposed to recover the shortage over a 10-year period. The analysis indicates the deficit to be roughly \$32,000 and the Commission considers the Utility's proposed recovery period to be reasonable at this time. Projections based on this scenario have been factored into the rate analysis.

## 4.2 Treatment of Capital Assets

[12] The Respondents expressed concern over the Utility's treatment of capital assets as well. Under the Commission's accounting procedures, the assets are recovered over their useful life in accordance with a straight-line depreciation schedule. Assets are reported through a depreciation entry and an interest payment amount, for accounting purposes. In this case, the assets are valued at approximately \$52,000, which represents \$1,678 in allowable depreciation expenses. Again, the Company that owns the Utility covered the costs and accounts were not properly set up by the Utility. In addition to the depreciation amount, starting in 2007, an interest component was added to properly record the entry and allow funds to be recouped.

## 4.3 Billing of Serviced Lots

[13] The matter of billing for serviced lots in the Seawood subdivision was raised by Respondents also. Specifically, concerns over whether the Utility is properly billing all lots in the subdivision, including ones owned by the Seawood Corporation, were raised.

[14] There appears to be confusion around the availability of services within the development and information presented to the Commission is inconsistent on this issue. The services were installed a number of years ago and some records are difficult for the Utility to provide. Based on research carried out by Commission staff, it appears that access to water service is available in some form in all areas of the development. Therefore, the Commission considers that all lots are subject to frontage charges. This includes properties where no curb stop presently exists, as well.

[15] It is recommended that an updated map of the serviced area be developed by the Utility. Although there is a cost to having this done, it would be a worthwhile exercise and beneficial to both the Utility and its customers.

## 4.4 Turning On/Off Water Service

[16] The Utility's practice of charging residents an amount related to the turning on and off of water services at the curb stop has resulted in expressions of concern as well. Some owners question the legitimacy of being charged an additional fee above their annual water charge. This issue is more prevalent in Seawood due to the high number of seasonal customers.

[17] The ultimate responsibility and liability for the curb stop lies with the Utility and, for that reason, only representatives of the Utility, including contractors employed by the Utility, should be allowed access to the curb stop at any time.

[18] At the beginning and end of each season, the onus is on the customer to notify the Utility, in advance, of the need to have the water service turned on or off at the curb stop. Anyone preparing for the transition of seasons is responsible for their own property and the related costs; however, the curb stop should never be accessed by anyone other than the Utility or their representative. The scheduling of the actual shutting on or off at the curb lies with the Utility and it is their responsibility.

[19] The \$20 fee is intended to cover the Utility's cost to carry out and oversee this function each time and it is a legitimate charge related to this service.

[20] It should be noted that the cost to replace and install curb stops is accounted for through repairs and maintenance or capital budget expenses and is not part of the \$20 fee for shutting on and off service at the curb stop.

## 4.5 Bad Debt Expense

[21] Generally, the writing off of bad debt as an expense is not an acceptable accounting practice under the Commission's guidelines and is not done without prior Commission approval. Therefore, the amount reported in the Utility's 2007 financial statement is not recognized as an acceptable expense at this time and does not form part of the analysis.

[22] In cases where chronic non-payment is an issue and steps have been taken by the Utility to pursue these accounts, such as registering a judgement or lien, then a written request to the Commission for a determination regarding the bad debt can be made.

## 5. Conclusion

[23] The Commission recognizes that Seawood is a somewhat unique entity operating within the province. While many of the challenges the Utility faces are similar to those faced by municipally-run systems, such as having to provide an essential service in the face of increasing costs and stricter safety standards, Seawood does not have access to available funding in the same manner as municipal utilities do. The Utility has an annual revenue requirement of approximately \$43,000 and operates with limited resources. There are roughly 209 lots in the community and, of those, more than half are undeveloped. Two-thirds of the developed properties are occupied by seasonal residents. This places the burden to recover costs on a relatively small customer base.

[24] The Commission also acknowledges that the climate for utility rates to remain constant over long periods of time is changing, and rates will require more frequent review than in the past. The unpredictable nature of influencing factors combined with rising costs dictate that rates will need to be monitored more closely.

[25] The Commission has thoroughly reviewed and considered the application, including issues raised by the Respondents in this matter, and has concluded that a rate increase is warranted.

[26] Therefore, the Commission considers that:

- an annual frontage charge of \$135.00;
- an annual frontage charge of \$135.00, combined with an annual flat rate of \$135.00 for water customers served 6 months of the year or less;

- an annual frontage charge of \$135.00, combined with an annual flat rate of \$270.00 for customers served more than 6 months of the year,

effective with service provided on and after January 1, 2008, will result in necessary and equitable rates and charges.

[27] A schedule of revenues and expenditures is appended to this Order. The schedule is prepared in accordance with the Commission's Uniform System of Accounts and is consistent with the provisions outlined in this Order.

## 6. Disposition

[28] An Order will therefore issue implementing the findings and conclusions contained in these reasons.

**IN THE MATTER** of an  
application by the Seawood Water Utility  
Corporation for approval to increase its annual  
water rates and charges.

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# Order

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**UPON** receiving an application by the Seawood Water  
Utility Corporation (the “Utility”), for approval to increase water  
rates and charges, effective January 1, 2008;

**AND UPON** thorough review and consideration of the  
application, including issues raised by the Respondents in this  
matter;

**NOW THEREFORE**, for the reasons given in  
the annexed Reasons for Order, and pursuant to the *Island  
Regulatory and Appeals Commission Act* and the *Water and  
Sewerage Act*

## IT IS ORDERED THAT

1. The existing Tariff for water services of the Seawood  
Water Utility Corporation is revoked and the Tariff  
appended to, and forming part of, this Order is  
substituted therefor;
2. The existing Seawood Water Utility Corporation Rules and  
Regulations for water services, approved by Commission  
Order UW07-02, issued July 27, 2007, are hereby  
revoked and the Rules and Regulations appended to, and  
forming part of, this Order are substituted therefore; and
3. The appended Tariff and Rules & Regulations are  
approved and declared effective on January 1, 2008 and  
shall remain in effect until otherwise ordered by the  
Commission.

**DATED** at Charlottetown, Prince Edward Island, this 6th day of October, 2008.

**BY THE COMMISSION:**

(Sgd) Maurice Rodgerson

Maurice Rodgerson, Chair

(Sgd) Brian J. McKenna

Brian McKenna, Vice-Chair

(Sgd) John Broderick

John Broderick, Commissioner

(Sgd) Chester MacNeill

Chester MacNeill, Commissioner

**NOTICE**

Section 12 of the *Island Regulatory and Appeals Commission Act* reads as follows:

*12. The Commission may, in its absolute discretion, review, rescind or vary any order or decision made by it or rehear any application before deciding it.*

Parties to this proceeding seeking a review of the Commission's decision or order in this matter may do so by filing with the Commission, at the earliest date, a written Request for Review, which clearly states the reasons for the review and the nature of the relief sought.

Sections 13.(1) and 13.(2) of the *Act* provide as follows:

*13.(1) An appeal lies from a decision or order of the Commission to the Appeal Division of the Supreme Court upon a question of law or jurisdiction.*

*(2) The appeal shall be made by filing a notice of appeal in the Supreme Court within twenty days after the decision or order appealed from and the Civil Procedure Rules respecting appeals apply with the necessary changes.*

IRAC140A(04/07)

## Appendix

STATEMENT OF REVENUE & EXPENDITURES		UW26306		
Seawood Water Utility		Actual 2007	Staff Projections (With Increase)	
			2008	2009
<b>Revs</b>	Flat Rate Revenues	\$ 25,451	\$ 41,985 <sup>1</sup>	\$ 41,985
	Miscellaneous Service	640	400	400
	Other	1,034	1,000	1,000
	<b>TOTAL REVENUES</b>	<b>\$ 27,125</b>	<b>\$ 43,385</b>	<b>\$ 43,385</b>
<b>Operating</b>	Salaries & Wages – Operational Employees	\$ 5,633	\$ 5,750	\$ 5,750
	Repairs and Maintenance	6,033	6,500	6,500
	Rentals	1,200	1,500	1,500
	Water Testing & Analysis	6,671	6,750	6,750
	Electricity	3,534	3,750	3,750
		<b>23,071</b>	<b>24,250</b>	<b>24,250</b>
<b>General</b>	Salaries & Wages – Admin Employees			
	Employees' Pensions and Benefits			
	Office Supplies and Expenses	950	1,000	1,000
	Interest and Bank Charges	126	150	150
	Contractual Services	2,741	2,750	2,750
	Transportation Expenses	3,250	3,250	3,250
	Insurance			
	Regulatory Commission Fees	717	717	717
	Miscellaneous Expenses	360	375	375
	Bad Debt Expense	<sup>2</sup>		
	<b>8,144</b>	<b>8,242</b>	<b>8,242</b>	
<b>Other</b>	Depreciation Expenses	1,678	1,678	1,678
	Interest on Long-Term Debt (Reflects allocated int on \$52,000)	2,800 <sup>3</sup>	2,750	2,700
		<b>4,478</b>	<b>4,428</b>	<b>4,378</b>
	<b>TOTAL EXPENDITURES</b>	<b>\$ 35,693</b>	<b>\$ 36,920</b>	<b>\$ 36,870</b>
	Net Income (Loss) for the Year	\$ (8,568)	\$ 6,465	\$ 6,515
	Cumulative Surplus (Deficit) Dec. 31	\$ (31,488)	\$ (25,023)	\$ (18,508)
	Debt Recovery		\$ 4,155 <sup>4</sup>	\$ 4,155

**Notes & Assumptions:**

- <sup>1</sup> Revenues adjusted to reflect all lots eligible for frontage charges commencing in 2008
- <sup>2</sup> 2007 Bad Debt Expense Adjusted
- <sup>3</sup> Interest on Long-Term Debt reflects interest portion on \$52,000 @ 5.5%, amortized over 25 years
- <sup>4</sup> Debt recovery allocation is based on \$32,000 @ 5.5%, amortized over 10 years (Pr & Int Pmts)

**Breakdown of Customers Billed:**

	Rates			# of Customers
	Current	Jan 1/08	% of Inc	
Flat Rate (S-F-D) > 6 Months	\$ 315	\$ 405	29	27
Flat Rate (S-F-D) < 6 Months	\$ 210	\$ 270	29	48
Frontage Charge Only	\$ 105	\$ 135	29	134
				209

# **Seawood Water Utility Corporation**

## **WATER TARIFF**

THIS TARIFF SPECIFIES THE RATES AND CHARGES APPLICABLE  
TO SERVICES PROVIDED BY THE **SEAWOOD WATER  
UTILITY CORPORATION**

RULES AND REGULATIONS GOVERNING THE TYPES OF SERVICES  
AND MANNER IN WHICH SUCH SERVICES ARE PROVIDED  
ARE CONTAINED IN THE **SEAWOOD WATER UTILITY  
CORPORATION RULES AND REGULATIONS**

**Effective: January 1, 2008**

# Water Service Rates and Charges

**Application:**

The following annual rates and charges apply to water services provided to premises served or capable of being served by the Seawood Water Utility Corporation.

(NO WATER SERVICE LINE TO EXCEED 3/4 INCH)

**Flat Rate:**

Each customer served over six months

\$270.00

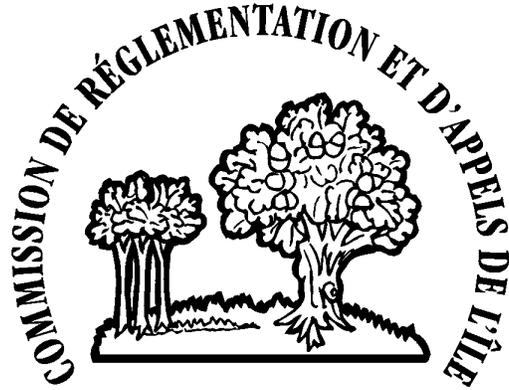
Each customer served six months or less

\$135.00

**Frontage Charge:**

Each lot serviced or capable of being serviced

\$135.00



**THE ISLAND REGULATORY AND  
APPEALS COMMISSION**  
Prince Edward Island  
Île-du-Prince-Édouard  
CANADA

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**SEAWOOD WATER UTILITY  
CORPORATION**

**WATER  
RULES & REGULATIONS**

—January 1, 2008—

These Rules and Regulations are made and approved by The Island  
Regulatory and Appeals Commission under Order UW08-05

# Contents

1.0	APPLICATION.....	1
2.0	INTERPRETATION.....	1
3.0	GENERAL.....	2
3.1	Disputes.....	2
3.2	Application for Service.....	2
3.3	Plumbing Permit.....	2
3.4	Plumbing to be Satisfactory.....	2
3.5	Refusal of Service.....	2
3.6	Condemned Premises.....	2
3.7	Season for Laying Pipe.....	2
3.8	Access to Customer's Premises.....	3
3.9	Prohibited Appliances.....	3
3.10	Interference with Utility Property.....	3
3.11	Improper Use or Waste of Water.....	3
3.12	Repair of Leaks.....	3
3.13	Cooling Water.....	3
3.14	Suspension of Service for Violation.....	4
3.15	Suspension of Service.....	4
3.16	Liability of the Utility.....	4
3.17	Jurisdiction of the Utility.....	4
4.0	SERVICES.....	4
4.1	Installation of Shut-off.....	4
4.2	Individual Service.....	4
4.3	Deposits on Custom Work.....	5
4.4	Non-Negotiable Cheques.....	5
4.5	Service Pipes.....	5
4.6	Cost of Service Pipes.....	5
4.7	Cost of Oversized Service Pipes.....	5
4.8	No Water Service Without Sewerage Service.....	5
4.9	Relocation of Service.....	5
4.10	Multiple Service Connections.....	5
4.11	Unauthorized Extensions, Additions or Connections.....	6
4.12	Cross Connections Prohibited.....	6
4.13	Contaminated Interconnection.....	6
4.14	Repairs to Service Lines.....	6
4.15	Water for Construction.....	7
4.16	Contracted Work.....	7
4.17	Use of Independent Contractors.....	7
4.18	Signed Agreements.....	7

5.0 BILLING ..... 7

    5.1 Payment of Bills ..... 7

    5.2 Prorating of Rates ..... 7

    5.3 Suspension of Service for Non-Payment of Bills ..... 8

    5.4 Curb Stop Charge ..... 8

    5.5 Delayed Payment Charge ..... 8

    5.6 Owner of Premises Billed ..... 8

    5.7 Rates During Vacancy ..... 8

    5.8 Multiple or Joint Use Premises ..... 8

## Part 1 Application

- 1.1 As required by the *Water and Sewerage Act*, Section 16, the following Rules and Regulations have been approved by Order UW08-05 of The Island Regulatory and Appeals Commission for application by the Seawood Water Utility.
- 1.2 These Rules and Regulations are subject to the *Water and Sewerage Act* as well as to directives of and special contracts approved by The Island Regulatory and Appeals Commission.

## Part 2 Interpretation

- 2.1 In these Rules and Regulations, unless the context otherwise requires, the expression:

***Commission*** means The Island Regulatory and Appeals Commission.

***Customer*** means a person, firm or corporation who or which requests or is supplied with water service at a specific location or locations.

***Domestic Service*** means the type of water service supplied to the owner or his authorized agent or to the occupant or tenant of any space or area occupied for the distinct purpose of a single-family house, each unit of a multiple dwelling, individual apartment, flat and the like, furnished with separate kitchen facilities provided with running water.

***Due Notice*** means the requirement that forty-eight (48) hours written notice be given by the utility to a customer before any action is taken against the customer for failure to comply with any of these Rules and Regulations.

***Service*** means water service.

***Shall*** in the context of these Rules and Regulations means the imperative and that an act must be done.

***Utility*** as defined in the *Water and Sewerage Act* of the Province of Prince Edward Island means the Water “Public Utility” operated by Seawood.

## **Part 3 General**

### **3.1 Disputes**

If any dispute shall arise between the Utility and a customer over the interpretation or application of these Rules and Regulations, either party may refer the matter to the Commission for decision, and the Commission may, notwithstanding anything contained in these Rules and Regulations, make such order as it may deem appropriate.

### **3.2 Application for Service**

The Utility may, before rendering service, require an application form signed by a prospective customer.

### **3.3 Plumbing Permit**

In the case of an owner of an existing building or premises applying for service, no service shall be provided until the Utility has been provided with a Certificate of Approval issued by the Plumbing Inspector.

### **3.4 Plumbing to be Satisfactory**

All plumbing, pipes, fittings, vents, 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 according to the requirements of the current edition of the **Canadian Plumbing Code**. Except for construction or testing purposes, the water shall not be turned on until the applicant for service has satisfied these requirements. The supply of water may be refused or discontinued to any customer at any time, if, in the opinion of the Utility, the plumbing, pipes, fittings, vents, fixtures and other devices are herein before mentioned, or any of them, fail to comply with the above requirements, or if any part of the water system of such customer 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.

### **3.5 Refusal of Service**

Service shall be refused or suspended to any customer who has failed to discharge any of his liabilities to the Utility.

### **3.6 Condemned Premises**

Services shall be immediately discontinued to any property condemned under any Federal or Provincial statute or municipal bylaw.

### **3.7 Season for Laying Pipe**

The Utility shall not, on application or otherwise, lay any pipe at any season of the year which, in the opinion of the Utility, is deemed unsuitable for such construction.

### **3.8 Access to Customer's Premises**

Representatives of the Utility shall have the right of access to a customer's property or premises at all reasonable hours for the purpose of inspecting any water pipes or fittings, or appliances, or for the purpose of installing, removing, repairing, reading or inspecting water meters. The Utility shall have the right to suspend service to any customer who refuses such access.

### **3.9 Prohibited Appliances**

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, water-operated pumps or siphons, standpipes or large outlets which may occasion sudden large demands of short or long duration, thereby requiring oversize meters and pipe lines, or affect the stability or regulation of water pressure in the Utility's system. A permit to install or use any such device or appurtenance must be obtained from the Utility. The permit shall specify what special arrangements, such as elevated storage tanks, surge tanks or equalizing tanks, etc., must be provided by the customer.

### **3.10 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 pipe or main or other property of the Utility, or obstruct the free access to any hydrant, stop cock, meter, building, etc., provided however that nothing in this section shall be deemed to prevent an officer or member of the Fire Department engaged in the work of such Department, from using any hydrant or other source of water supply of the Utility for such purpose.

### **3.11 Improper Use or Waste of Water**

No customer shall permit the improper use or waste of water nor shall he sell or give water to any person except upon such conditions and for such purposes as may be approved in writing by the Utility.

### **3.12 Repair of Leaks**

Leaks due to broken water services, worn tap washers, toilet valves or other causes shall be promptly repaired. If, after being notified, a customer refuses or unduly delays in having the repairs or alterations made, the Utility may suspend the service if, in its opinion, such action is necessary to prevent improper use or wastage of the service.

### **3.13 Cooling Water**

Water shall not be used for cooling purposes by any customer of the Utility except where the system or equipment to be supplied is of the recirculating conservation type with make-up water only being added. In the case of refrigeration equipment, including air conditioning systems, no system having a water consumption rate in excess of 0.50 litres per minute per metric tonne of capacity shall be provided with cooling water. This Regulation shall apply to all new installations and to any existing systems if and when they are to be enlarged, renewed or replaced.

### **3.14 Suspension of 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 service to be suspended from the premises where such violation is existing or has occurred and may keep the same so suspended until satisfied that the cause for such action has been removed.

### **3.15 Suspension of Service**

In every case calling for a suspension of service, due notice must be given to the customer concerned.

### **3.16 Liability of the Utility**

3.16.1 The Utility shall endeavor to maintain reasonable continuity of service. If the service is interrupted, the cause of such interruption or other condition shall be removed or corrected and normal operating conditions restored as soon as possible.

3.16.2 The Utility shall not be responsible for any damage, direct or consequential, loss or liability that a customer may sustain by reason of interruption of service, variation of pressure or on account of the turning off or turning on of the water for any purpose, drawing a vacuum on the system by fire pumpers, unless caused by the negligence of the Utility.

3.16.3 Interruptions in service shall not relieve the customer from any charge for service.

### **3.17 Jurisdiction of the Utility**

The Utility shall have jurisdiction over all services and extensions including those on a customer's premises up to the cellar stop, including meters, where applicable, in the case of water service.

## **Part 4 Services**

### **4.1 Installation of Shut-off**

Every water service to a premises shall have a shut-off valve in an accessible position at the point of entry to the premises.

### **4.2 Individual Service**

Except with the special written approval of the Utility, each separate residential building or premises, not including multiple apartment buildings exceeding two (2) units, shall have a separate water service with a curb stop.

### **4.3 Deposits on Custom Work**

Whenever a customer requests that the Utility do work for which such customer is required to pay, and the Utility agrees to do the work, the Utility may require, before the work is started, a sum of money equal to the Utility's estimate of the probable cost of the said work. When the actual cost is determined, an adjustment in payment shall be made. Service shall not be established or continued by the Utility until all charges are paid.

### **4.4 Non-Negotiable Cheques**

A charge of ten dollars (\$10.00) may be made for each non-negotiable cheque.

### **4.5 Service Pipes**

Upon receipt of an application for service to any premises located on any portion of a street within the service area of the Utility, which is served by a main water pipe, and which premises are not already provided with service, the Utility shall install or permit to be installed a water service pipe which it considers to be of a suitable size and capacity. The customer may engage an independent contractor to install connections, which the Utility considers to be of a suitable size and capacity. No water pipe smaller than  $\frac{3}{4}$ -inch in diameter shall be laid for any water service. Any work carried out by an independent contractor for the customer shall be under the inspection and supervision of the Utility. An inspection fee of twenty dollars (\$20.00) shall apply to work installed by an independent contractor.

### **4.6 Cost of Service Pipes**

A cost of \$200 shall apply towards the cost of supplying and laying a  $\frac{3}{4}$ -inch water service pipe and fittings between the main pipe and the street line of the property to be served. The complete costs of extending these services from the street line to the premises shall be borne by the customer.

### **4.7 Cost of Oversized Service Pipes**

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

### **4.8 No Water Service Without Sewerage Service**

Water service shall not be extended to a premises unless sanitary sewer facilities are also installed or are presently available to the premises in question.

### **4.9 Relocation of Service**

After service has been installed by the Utility, no relocation of, or alteration to, the portion of the service installed shall be made except at the expense of the customer or other persons requesting such removal or alteration.

### **4.10 Multiple Service Connections**

In the event of more than one (1) service being required to the same property, such as a sprinkler system connection or an additional general service connection or connections,

the full cost of the additional services to the system mains, any necessary repairs and maintenance to the additional services between the main and the customer's premises and any necessary repairs and replacement to any portion of the streets or sidewalks of the municipality damaged in providing such additional services shall be paid by the customer. The decision as to the necessity of the additional services shall be made by the Utility.

#### **4.11 Unauthorized Extensions, Additions or Connections**

No person shall, without the written consent of the Utility, make or cause to be made any connection to any pipe or main or any part of the water system of the Utility or in any way obtain or use water therefrom in any manner other than as set out in these Rules and Regulations.

#### **4.12 Cross Connections Prohibited**

Connections of any customer's installation served by the Utility to any other source of water supply is prohibited, except with the written permission of the Utility with the terms and conditions of interconnection clearly defined. Failure to comply with this Regulation shall entitle the Utility to suspend the service.

#### **4.13 Contaminated Interconnection**

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.

#### **4.14 Repairs to Service Lines**

If a leak, stoppage or other trouble occurs on a water line, it shall be repaired as soon as possible.

The following work shall be carried out at the expense of the Utility:

- (i) Repairs necessitated by a leak or other trouble occurring between the water main and the property line.
- (ii) Repairs necessitated by a leak or other trouble occurring between the property line and the customer's premises which has been caused by the installation having insufficient grade or as a result of poor workmanship.
- (iii) Repairs necessitated by tree roots occurring between the water main and the property line.

The following work shall be carried out at the expense of the customer:

- (i) Repairs necessitated by normal wear and tear occurring between the property line and the customer's premises.
- (ii) Repairs necessitated by any stoppage attributable to the improper use of the water facilities occurring between the main and the customer's premises.

(iii) Repairs necessitated by tree roots occurring between the property line and the customer's premises.

#### **4.15 Water for Construction**

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

#### **4.16 Contracted Work**

Where the Utility does not carry out its own construction, any contract work shall be done for, on behalf of, and with the approval in writing of the Utility.

#### **4.17 Use of Independent Contractors**

In a case where construction is to be carried out on behalf of the Utility by an independent contractor, the customer is to be party to any decision relative to accepting any quotation by the Utility, or alternately, the Utility may allow the customer to have plans and specifications prepared, and after being approved by the Utility, an acceptable contractor shall be authorized by the Utility to proceed with construction under its inspection and supervision. An inspection fee of twenty dollars (\$20.00) shall apply to laterals installed by an independent contractor.

#### **4.18 Signed Agreements**

Where construction is estimated to cost in excess of one thousand dollars (\$1,000.), a signed agreement shall be entered into between the Utility and the customer. Where construction is estimated to cost less than this amount, the Utility may require a signed agreement between itself and the customer.

## **Part 5 Billing**

### **5.1 Payment of Bills**

Bills for service shall be rendered annually on 1 April and are payable within thirty (30) days after the date rendered and if not so paid shall be deemed to be in arrears.

### **5.2 Prorating of Rates**

In the case of a customer not receiving service for a full billing period, the flat rate or base charge shall be computed on a pro-rata basis for the period involved.

### **5.3 Suspension of Service for Non-Payment of Bills**

The Utility may suspend service to unmetered customers whose bills remain unpaid for more than sixty (60) days and metered customers whose bills remain unpaid for more than thirty (30) days after the date rendered, provided that due notice is given.

### **5.4 Curb Stop Charge**

In all cases where service has been discontinued by means of a curb stop for non-payment of bills or account, or for violation of any section of these Rules and Regulations, service shall not be restored until all arrears, together with a twenty dollar (\$20.00) charge, have been paid. If turn-off and turn-on is carried out during normal working hours at a customer's request, a twenty dollar (\$20.00) charge will be made, and if not paid, shall be included in any subsequent bill for service. If turn-off or turn-on of service is requested to be carried out after normal working hours, the charge for such call out shall be based on normal charge-out rates for time and equipment involved, but shall not exceed a three (3) hour charge-out for any one (1) call.

### **5.5 Delayed Payment Charge**

All bills shall be computed according to the rates fixed and determined by the Commission, and if any bill is not paid within thirty (30) days after the date rendered, as indicated by the postmark, or such date as may be clearly shown upon the bill, whichever is the later, it shall be subject to a delayed payment charge.

The charge shall be equal to two percent (2%) per month of the amount of such bill, but in no case shall the amount of the penalty be less than twenty-five cents (\$0.25).

### **5.6 Owner of Premises Billed**

At the option of the Utility, charges for service may be billed to the owner of the premises.

### **5.7 Rates During Vacancy**

In the case of a premises being vacant, the owner shall be billed for the period until the new tenant becomes responsible for the service.

### **5.8 Multiple or Joint Use Premises**

Billing of multiple or joint use premises may be carried out either by billing each individual customer according to the applicable rate schedule or by metering the total premises, at the option of the Utility.