

November 26, 2018

Ministry of Forests, Lands, Natural Resource Operations and Rural Development
Water Management Branch
Utility Regulation Section
PO Box 9340 Stn Prov Govt
Victoria, BC V8W 9M1

Attention: Chris McMillan, Secretary to the Comptroller of Water Rights

Dear Mr. McMillan:

**Re: Corix Multi-Utility Services Inc.
Application to Amend Water Rates for Panorama Water Utility**

Corix Multi-Utility Services Inc. ("CMUS") owns and operates a water utility, Panorama Water, which provides service to customers in Panorama Mountain Village.

CMUS is applying to amend the rates charged to customers to reflect changes to the underlying costs of service since the existing rates were approved by the Deputy Comptroller of Water Rights in 2010. The application includes the following materials:

- CMUS Panorama Water Rate Application - November 2018 (the Application)
- Panorama Water Financial Schedules
- Proposed Updated Tariff (blacklined and clean versions)
- Draft Notice of Application to Customers

CMUS is requesting that the proposed rates be effective January 1st, 2019 as interim rates, and subsequently adjusted if and as required based on the Comptroller of Water Right's final decision when rendered on this application, with any refund or additional charges to be accounted for retrospective to January 1st, 2019.

Should you have questions, please contact Errol South at 604-455-3658 or Errol.South@corix.com.

Yours truly,



Errol South
Senior Financial Planning Analyst

cc: Elena Oliphant



Corix Multi-Utility Services Inc.
Panorama Water

WATER RATE APPLICATION

November 2018

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1.0 Introduction and Background

Corix Multi-Utility Services Inc. (“CMUS”) owns and operates the water utility (“the Utility”) providing service to Panorama Mountain Village (“Panorama”). In addition to the water utility, CMUS also owns and operates the propane and wastewater utilities at Panorama.

CMUS is a subsidiary of a privately held corporation, Corix Infrastructure Inc. (“Corix”), owned by the British Columbia Investment Management Corporation. Corix, headquartered in Vancouver, BC, implements, owns and operates sustainable water, wastewater, and energy utility infrastructure solutions for small to medium-sized communities across North America. Corix’s operations span three Canadian provinces and twenty US states.

CMUS is regulated under the *Water Utility Act*, the *Utilities Commission Act* and the *Water Sustainability Act* by the Comptroller of Water Rights (“the Comptroller”). The Comptroller regulates all private water utilities in British Columbia to protect the public interest. The Comptroller ensures that these utilities provide safe and adequate water service at rates that are fair, reasonable and sufficient to operate their water systems sustainably.

Customer rates for the Utility have not been changed since the last rate Decision and Order No. 2232 issued by the Comptroller on June 28, 2010. Decision and Order No. 2232 approved a revised revenue requirement and a revised water rate and tariff structure effective March 1, 2010. Since March 1, 2010, the Utility has operated under these approved rates and tracked operating costs, revenues and deferral account balances.

The Utility has experienced reasonable increases in costs each year since the 2010 Decision, reflecting increases in the cost of goods, supplies, equipment and labour. Revenues to the Utility have been lower than were anticipated due to lower annual water consumption. The shortfall in revenue due to lower water consumption has been accumulating in a deferral account.

In this Rate Application the Utility is requesting an increase in rates to cover cost of service increases and address the revenue deficit in the deferral account associated with reduced customer consumption. Section 2.0 outlines the specific approvals sought, which are supported by the evidence presented in this Application.

At this time, the Utility is recommending that the overall rate design, which determines the relative percentage of revenue that is collected through the fixed charges and through the variable charges, remain unchanged.

2.0 Approvals Sought

With this Application, Corix Multi-Utility Services Inc. requests approval for the following pursuant to Sections 59 to 61 and Section 89 of the *Utilities Commission Act*:

1. A Residential Consumption Charge of \$2.69 per cubic meter and a Residential Fixed Charge of \$4.34 per bed unit per month.
2. A Commercial Consumption Charge of \$2.69 per cubic meter and a Commercial Fixed Charge of \$4.66 per bed unit per month.
3. That the rates applied for in requests 1 and 2 above be effective January 1st, 2019 as interim rates, and hence reflected on the February bill sent to customers. CMUS requests that the interim rates be subsequently adjusted if and as required based on the Comptrollers' final decision when rendered on this application, with any refund or additional charges to be accounted for retrospective to January 1st, 2019.
4. To discontinue annual contributions from customer revenue into the Replacement Reserve Trust Fund (RRTF) and to close the RRTF effective January 1st, 2019.
5. To recover the deficit balance of \$490,391 accumulated in the consumption deferral account.
6. To recover the deficit balance in the consumption deferral account over a two year period, through a rate rider for all metered customers as follows:
 - a. \$2.46 per cubic meter effective January 1st, 2019; then reduced to
 - b. \$2.42 per cubic meter effective January 1st, 2020.
7. To continue the use of the consumption deferral account going forward and to recover/refund any balance in this deferral account at the end of the year within the following 12 months. Only amounts added to the deferral account from January 1, 2019 onwards would be recovered on a 12 month basis. This is discussed further in Section 9.1.
8. That Water Tariff No. 3 for water service at Panorama, effective March 1, 2010 be updated based on the approvals regarding the proposals within this Application.

The following sections provide information related to the Utility operations and the proposed rate increases.

3.0 Relevant History

3.1 Panorama Water 2010 Rate Application

As part of the 2010 Decision on the Utility's previous water rate application, the Comptroller directed the Utility to undertake the following activities:

1. *"The yearly RRTF contributions are to be increased to \$100,000 per year commencing March 1, 2010."*¹

Action taken:

The Utility increased yearly RRTF contributions from customer revenue from \$35,000 per year to \$100,000 per year effective March 1, 2010. Schedule 3 shows the information regarding the annual RRTF contributions and balances from 2010 through to 2018. Section 6.0 provides a more detailed review of the two reserve trust funds for the Utility.

2. *"... the Utility is to set up a Deferral Account to record the difference between actual and forecast consumption and any resulting revenue excess or deficit to be brought forward with the next Revenue Requirements Application as either credits or rate riders on customers' accounts."*²

Action taken:

The Utility has set up a deferral account as directed. The revenue variance was recorded and is discussed in detail in Section 9.0. Schedule 6 shows the consumption deferral account using actual data from 2010 through to 2017 and projected data in 2018. The proposals reflect the recovery of the deficit balance in the deferral account.

3.2 Groundwater Source Development Program Project

The Utility currently obtains its water supply through a Provincial license³ to divert up to a specified volume of water per year from Taynton Creek. The current water works consists of an intake along Taynton Creek feeding a booster pump station, complete with chlorine disinfection, to pump up to a reservoir before entering the distribution system. While the capacity of the raw water intake pipeline is sufficient to meet customer requirements, the water source is subject to seasonal turbidity events that result in boil water notices and advisories due to an inability to meet the Interior Health Authority's drinking water treatment objectives.⁴ The intake at Taynton Creek is at risk of damage from potential debris torrents during high mountain stream events.

To address these issues, beginning in 2014 CMUS began the process of identifying an alternative water supply and subsequently applied to the Comptroller for approval of a Groundwater Source Development Program (GSDP) project. The Utility focused on addressing these issues for two years from initial water source assessments to the submission of the final GSDP project application to the Comptroller's office in November 2016. The Comptroller determined the GSDP Project to be in the public interest and approved

¹ Order No. 2232 with attached Decision with Reasons, dated June 28, 2010, p. 6.

² Order No. 2232 with attached Decision with Reasons, dated June 28, 2010, p. 6.

³ The license is with the Office of the Deputy Comptroller of Water Rights, Ministry of Forests, Lands and Natural Resources.

⁴ [Interior Health Authority 4-3-2-1-0 Drinking Water Objectives](#).

the GSDP project through Order No. 2498, dated October 5, 2017. As part of Order No. 2498 on the GSDP project, the Comptroller determined that:

1. *“Corix’s proposal for the future recovery of the GSDP Project’s prudent costs associated with completing the detailed design of the GSDP Project (including internal costs, consulting costs, financing costs and other prudent costs) is accepted.”*⁵
2. *“Corix’s proposal to use funds from the reserve trust funds towards the cost of the GSDP Project upon submission and review of invoices is accepted.”*⁶

On July 10, 2018, the Utility submitted the final cost estimates and physical design to the Comptroller and requested approval to proceed with construction of the project with an estimated completion date of July 2019. Through Order No. 2531, dated July 30, 2018, the Comptroller ordered that the final cost estimate and the physical design for the GSDP Project were accepted and approval to proceed with the construction of the project was granted. The Comptroller also ordered that:

3. *“Corix is to file a Revenue Requirements and Rate Application by December 31, 2019.”*⁷

Action taken:

The Utility has begun work on the project and has made withdrawals from the RRTF fund, subsequent to receiving approval from the Comptroller. An update on the GSDP project is provided in Section 11.0. Section 6.0 and Schedule 3 provides details regarding both reserve trust funds, the RRTF and the Deferred Capacity Trust Fund (DCTF). The Utility has excluded recovery of the GSDP’s project’s costs from the forecast costs in this Rate Application. The Utility is planning to submit a rate application in late 2019 which will address the recovery of the GSDP project costs.

4.0 Operating and Maintenance Expenses

The Utility’s revenue requirement is calculated as the sum of the costs of operating the Utility, the operating margin on those operating costs and RRTF contributions. This section provides information on the operating and maintenance expenses for the Utility. Schedule 1 of Appendix A provides the operating expenses for the period 2010 through to 2018. Table 1 on the following page shows the historical operating expenses for the most recent three years of actuals (2015 to 2017), the projected operating expenses for 2018 and the forecast operating expenses for 2019. The figures for the years 2010 through to 2017 are consistent with those filed in Panorama Water Utility’s Audited Annual Reports to the Water Comptroller. The figures for 2018 include year-to-date actuals from January 2018 to September 2018 and budgeted figures for October, November and December 2018.

The Bank of Canada’s target inflation rate of 2% was applied to the majority of the 2018 expenses in order to produce 2019 forecasts. In other cases, 2018 projected figures were adjusted or held constant based on known circumstances. Details for each of the expenses are provided below, including an explanation for any cost that was determined without the use of the inflation rate.

⁵ Order No. 2498 Decision and Order, dated October 5, 2017, p. 3.

⁶ Order No. 2498 Decision and Order, dated October 5, 2017, p. 3.

⁷ Order No. 2498 Decision and Order, dated October 5, 2017, p. 3.

Table 1: Operating and Maintenance Expenses for the CMUS Panorama Water Utility*

Line No.	Expense	Cost Type	Actual 2015	Actual 2016	Actual 2017	Projected ⁶ 2018	Forecast 2019
1							
2	Cost of Goods Sold						
3	Chlorine and Supplies	Variable	\$ 8,020	\$ 2,889	\$ 6,532	\$ 6,261	\$ 6,387
4	Contracting	Variable	\$ 1,541	\$ 1,033	\$ 1,547	\$ -	\$ -
5	Billing & Customer Care	Variable	\$ 9,412	\$ 9,782	\$ 11,200	\$ 11,700	\$ 11,700
6	Water testing	Fixed	\$ 3,372	\$ 4,553	\$ 3,879	\$ 5,105	\$ 5,207
7	Wages - Operators	Fixed	\$ 84,873	\$ 89,625	\$ 90,993	\$ 117,612	\$ 119,964
8	Utilities	Variable	\$ 19,275	\$ 19,925	\$ 29,477	\$ 22,771	\$ 23,226
9	Total Cost of Goods Sold		\$ 126,493	\$ 127,807	\$ 143,628	\$ 163,449	\$ 166,484
10							
11	Selling, General and Administration Expenses						
12	Advertising	Fixed	\$ -	\$ 140	\$ 581	\$ 74	\$ 150
13	Accounting	Fixed	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500
14	Vehicles/Travel	Fixed	\$ 24,625	\$ 26,634	\$ 24,423	\$ 26,659	\$ 27,192
15	Freight	Variable	\$ 474	\$ 1,755	\$ 2,160	\$ 2,202	\$ 2,246
16	Insurance	Fixed	\$ 3,440	\$ 2,767	\$ 2,945	\$ 2,912	\$ 2,970
17	Wages - Administration ²	Fixed	\$ 14,497	\$ 34,554	\$ 43,408	\$ 38,666	\$ 7,279
18	Licenses and Permits	Fixed	\$ 589	\$ 839	\$ 904	\$ 939	\$ 957
19	Hydrant maintenance	Fixed	\$ -	\$ 255	\$ -	\$ 1,749	\$ 1,784
20	Repairs and maintenance	Fixed	\$ 2,703	\$ 15,722	\$ 6,764	\$ 7,530	\$ 7,681
21	Office expenses	Fixed	\$ 39,669	\$ 26,280	\$ 26,194	\$ 23,530	\$ 24,001
22	Shop supplies	Variable	\$ 5,259	\$ 7,723	\$ 9,509	\$ 5,209	\$ 5,314
23	Training	Fixed	\$ 4,473	\$ 3,960	\$ 6,769	\$ 4,153	\$ 4,236
24	Bad Debt	Fixed	\$ 300	\$ 4	\$ -	\$ -	\$ -
25	Corporate Services ^{3, 4}	Fixed	\$ 170,270	\$ 172,725	\$ 194,881	\$ 191,856	\$ 195,693
26	Regulatory Costs ⁵	Fixed	\$ -	\$ -	\$ -	\$ 6,787	\$ 11,713
27	Total selling, general and administration		\$ 274,798	\$ 301,858	\$ 327,038	\$ 320,767	\$ 299,716
28							
29	Total Expenditures		\$ 401,291	\$ 429,665	\$ 470,666	\$ 484,216	\$ 466,200

* - See notes in Appendix A, Schedule 1.

4.1 Cost of Goods Sold:

(1) **Chlorine and supplies:** The costs for chlorine and chemical supplies used in the treatment of the water.

(2) **Contracting:** The costs for the use of outside contractors for operations services. The contracting expense has diminished over time as a result of the use of internal labour.

(3) **Billing & Customer Care:** The costs for billing services and customer care, charged on a per customer basis. 2018 projections and 2019 forecasts include no net customer additions. The Utility has been notified that there will be no changes in 2019 to the per customer rate for billing services and customer care. As such, the 2019 costs for Billing & Customer care are forecasted to remain equal to the 2018 figures.

(4) **Water testing:** The costs for the various tests undertaken, both on-site and off-site, to ensure the safety of the drinking water supply and to meet Interior Health Authority requirements. Daily on-site testing is done for chlorine residual and turbidity levels at several locations. In addition to these tests,

three water samples are sent to a third party environmental testing laboratory (ALS Laboratory) on a bi-weekly basis.

(5) **Wages - Operators:** CMUS employs two full time operators whose time are split between the water, wastewater and propane utility operations in Panorama. There are an additional five operators, employed to Corix, that are based in the Panorama region and primarily work on operating contracts that Corix has with clients in the Kootenay region. These five operators occasionally do field work for the Utility. Costs for Wages - Operators are tracked through job sheets submitted for work done specific to the Utility. 2019 costs for the Operator's wages were developed by escalating 2018 projected costs using the Bank of Canada's target inflation rate of 2%.

(6) **Utilities:** The portion of the costs for electricity, propane and wastewater service for the facility in Panorama, allocated to the Utility. There was an increase in utilities expense in 2017 due to a long cold winter relative to previous years. The 2018 projected figure, which includes actual costs up to and including September 2018, shows a 13% decrease in utilities expense when compared to the 2017 figure. The 2019 utilities expense was forecasted by applying the Bank of Canada's target inflation rate of 2% to the 2018 projected figure.

4.2 Selling, General and Administration Expenses

(7) **Advertising:** The costs for notices as required. The Utility has forecast an increase in this expense to facilitate the printing of notices for this and the subsequent rate application.

(8) **Accounting:** The costs for the annual audit to produce the Annual Report for the Comptroller. The Utility has been notified that the audit fee to be incurred in 2019 will be \$8,500, as it was in 2018.

(9) **Vehicles/Travel:** All operator and management hours spent working on/at the Utility have associated vehicle costs. This expense includes leasing costs, vehicle allowance, repairs and maintenance, fuel, license and registration fees and motor vehicle insurance.

(10) **Freight:** General Freight and courier costs associated with deliveries of chlorine and chemicals, lab testing samples and other miscellaneous supplies.

(11) **Insurance:** This cost is based on a portion of the overall insurance coverage for the buildings associated with Corix's operations in the Panorama region.

(12) **Wages - Administration:** Costs for the Operations Manager and the Utility Administrator that are associated with the operations of the Utility. Costs include, but are not limited to, managerial tasks and administrative tasks including review of meter reading data, corresponding with customers, ordering supplies and handling any notifications such as for water advisories, emergency preparedness. The Utility is allocated 15% of the total Wages – Administration costs for the Operations Manager and the Utility Administrator. This allocation percentage was determined in the past based on the amount of time spent on the Utility relative to Corix's other utilities in Panorama. This percentage has consistently been used by the Utility in Audited Annual Reports submitted to the Comptroller. The 2019 forecast for Wages - Administration costs has been reduced by \$22,500 to account for administrative costs of \$2,500 per month associated with managing the GSDP project. These costs are consistent with those approved through Order No. 2351, which addressed the final cost estimate for the GSDP project. The Utility will request to recover the \$22,500 in the subsequent rate application to be filed in 2019.

(13) **Licenses:** Annual fee for the water system and license costs for operations.

(14) **Hydrant Maintenance:** Costs associated with semi-annual maintenance of the fire hydrants. Fall maintenance involves refurbishing each hydrant including replacing seals and other parts as required. Each spring the system is flushed and the hydrants are flow monitored. The Utility notes that no Hydrant Maintenance expenses were shown in previous Annual Reports to the Water Comptroller. While fire hydrant maintenance was being carried out each year, the costs were being recorded in an incorrect category. There is no impact to customer rates since the total Operating and Maintenance Costs will remain the same regardless of where Hydrant Maintenance costs are recorded.

(15) **Repairs and Maintenance:** The costs for this expense are associated with system cleaning, routine maintenance on distribution mains, electrical contracting, Programmable Logic Control (PLC) systems and Supervisory Control & Data Acquisition (SCADA) monitoring and repair, and other miscellaneous repairs.

(16) **Office Expenses:** This expense includes, among others, rent and janitorial services; internet; telephone & faxes; office supplies; postage & couriers.

(17) **Shop Supplies:** The cost of items such as safety supplies, equipment, minor tools and parts required for the operation of the Utility.

(18) **Training:** Annual training required to ensure operators meet and maintain relevant certification standards, for example Confined Space Rescue training.

(19) **Bad Debt:** While bad debt has been incurred in the past the Utility does not forecast bad debt.

(20) **Corporate Services:** This expense includes costs related to support functions that are incurred at a corporate level and allocated to the Panorama Water utility operation. Corporate Services costs include, among others, Wages and Benefits, Information Technology, Administration and Office Expenses, Consulting, Vehicle, Travel and Training expenses. From 2010 through to 2017, Corix used the “Massachusetts Formula” to allocate Corporate Services costs to each of its business units. The Massachusetts Formula is a standard approach used extensively in the utility industry in North America. This formula removes the use of judgement in the allocation process, thus eliminating subjectivity, and instead relies on predetermined factors. From 2010 through to 2017, the Massachusetts Formula used by Corix took into consideration revenue, salaries, inventory and tangible capital assets for each of its business unit’s utilities. A breakdown of Corporate Services costs is provided in Table 2 below.

Table 2: Corporate Services Overhead Allocated to CMUS Panorama Water Utility

Line No.	Corporate Services Overhead	Projected 2018	Forecast 2019
1	Wages and Benefits	\$ 130,942	\$ 133,560
2	Administration/Office	\$ 24,500	\$ 24,990
3	IT and Other Expenses	\$ 18,054	\$ 18,415
4	Consulting	\$ 12,682	\$ 12,935
5	Vehicle/Travel/Training	\$ 5,679	\$ 5,793
6			
7	Total Corporate Services Overhead	\$ 191,856	\$ 195,693

Corix has grown and acquired new utilities over the past decade, resulting in a portfolio that includes utilities such as Dockside Green Energy; UBC Neighbourhood District Energy System; UniverCity District Energy System; Cultus Water utility and others. This growth has necessitated a revision of Corix's allocation practices for its Corporate Services costs. External consultants were hired to review the current Corporate Allocation Model (the Massachusetts Model), consider alternatives and make recommendations regarding the most appropriate model for Corix to use going forward. The review is ongoing and Corix expects this project to be complete in early 2019. Once this project is complete, Corporate Services cost allocations will be recalculated and the forecast Corporate Services cost for 2019 will likely change. At this time, there is no indication of the potential impact a new Corporate Allocation Model would have on the current forecast for 2019 Corporate Services cost for the Utility. Since the Utility plans to file a subsequent rate application in 2019 to address the costs associated with the GSDP project, any updates to the Corporate Services expense could be addressed in that rate application.

The Utility acknowledges the difficulty that this presents in terms of forecasting costs to determine customer rates. The 2019 Corporate Services cost was developed by applying the inflation rate of 2% to the projected 2018 figures. The 2018 projected Corporate Services cost was developed by applying the inflation rate of 2% to the actual Corporate Services figure in the 2017 Audited Annual Report submitted to the Comptroller, after deducting 2018 Regulatory costs. These 2018 Regulatory costs are discussed further in the next item.

(21) **Regulatory costs:** This expense covers the costs for the preparation of and regulatory review of this Application. Regulatory costs were incurred in 2018 and are forecasted for 2019. The 2019 regulatory cost forecast includes estimated costs for CMUS staff during the regulatory review of this Application plus an estimate of \$8,000 of costs associated with any consultant the Comptroller's office may hire for the review of this Application. The total regulatory cost for this application is forecasted to be \$18,500. The Utility proposes to recover all of this cost through rates effective January 1, 2019. Schedule 1 shows the regulatory costs as incurred in 2018 and 2019, while Schedule 4 (Revenue Requirement) makes an adjustment so that this cost is recovered through the 2019 revenue requirements. The Utility has not included regulatory costs incurred for the subsequent water rate application to be filed in 2019.

4.3 Total Operating and Maintenance Expenses

The 2019 forecast for Operating and Maintenance Expenses is \$466,200 as seen in Schedule 1. Fixed operating expenses represents 90% of that total⁸. The total figure of \$466,200 represents a 41% increase when compared directly to actual 2010 Operating and Maintenance expenses of \$330,686, which was the last time rates were increased. When compounding increases are taken into consideration the increase in Operating and Maintenance expenses from 2010 through to forecast 2019 is equivalent to an annual average increase of 3.89% each year.

The total 2019 Operating and Maintenance Expense forecast becomes \$472,987 after adjusting for the recovery of regulatory costs incurred in 2018 for the preparation of this application. This represents a 43% increase when compared directly to actual 2010 Operating and Maintenance expenses. When \$472,987 is compared to the 2010 actual figure, the compound increase from 2010 through to forecast 2019 is equivalent to an annual average increase of 4.06% each year.

⁸ See Appendix A, Schedule 1.

These figures have not been adjusted for the average annual rate of inflation and considering the number of years since the last rate increase, the Utility considers the 2019 forecast Operating and Maintenance Expenses are reasonable and acceptable for the purposes of determining the 2019 revenue requirements.

5.0 Revenues

Schedule 2 provides the average number of customers; the average number of bed units and the annual consumption by customer class, as well as sales and other revenue for each year from 2010 through 2018. The schedule includes the 2019 forecasts for the average number of customers; the average number of bed units and the annual consumption by customer class.

From 2010 through to 2017 the number of bed units for residential customers has grown from 1,345 bed units to 2,017 bed units. The number of bed units for residential customers has not changed since July 2017. For commercial customers the number of bed units have decreased from 2,556 in 2010 to 2,438 in 2018. The number of bed units for commercial customers has not changed since February 2016. Based on development information in the region, no additions to residential or commercial bed units have been included in the 2019 forecast. The number of bed units for residential and commercial customers were held constant from the most recent actuals and are 2,107 and 2,438 respectively.

Since 2010, residential consumption has varied only slightly, especially in the more recent years. Total annual residential consumption for 2015, 2016 and 2017 was 21,353 m³, 22,044 m³ and 24,027 m³ respectively. Residential consumption was forecast on a monthly basis using the forecast number of bed units and a rolling average of the actual month's consumption per bed unit for the previous three years. For example, to forecast February 2019 residential consumption, an average was taken of the actual residential consumption per bed unit for February 2016, February 2017, and February 2018. This forecast consumption per bed unit was then multiplied by the forecast number of bed units for the month of February. This approach is consistent with the approach used in the 2010 Rate Application. A three-year rolling average was used instead of a five-year rolling average to ensure that the forecast reflected more recent consumption patterns which has been impacted by improving appliance efficiencies (washers, dishwashers), among other factors. The monthly consumption forecasts were then summed to achieve the total annual consumption forecast.

Commercial consumption has exhibited a larger annual variance from 2011 onwards, coupled with an overall step reduction between 2010 (94,195 m³) and 2011 (70,256 m³). Total annual commercial consumption for 2015, 2016 and 2017 was 69,405 m³, 72,107 m³ and 78,216 m³ respectively. Commercial consumption forecast in the same manner as residential consumption, on a monthly basis using the forecast number of bed units and a rolling average of the actual month's consumption per bed unit for the previous three years.

Table 3: Utility Customers and Revenues

	Actual	Actual	Actual	Projected	Forecast
	2015	2016	2017	2018	2019
Residential					
No. of customers	274	283	287	288	288
No. of bed units (bu)	1,814	1,936	1,996	2,017	2,017
Consumption (m ³)	21,353	22,044	24,027	24,957	24,097
Revenue	\$109,612	\$116,670	\$121,207	\$121,255	
Commercial					
No. of customers	34	34	37	37	37
No. of bed units (bu)	2,346	2,462	2,438	2,438	2,438
Consumption (m ³)	69,405	72,107	78,216	77,091	75,587
Revenue	\$200,502	\$208,653	\$231,214	\$219,831	

Notes:

- 1) Number of residential customers excludes Standby residential customers.
- 2) No. of bed units represents the annual average.
- 3) Revenues has been adjust to account for accruals.

Total consumption for the Utility customers has dropped from 117,767 m³ in 2010 to 102,048 m³ in 2018. An increase in residential customer count during this time was insufficient to offset the significant drop in commercial consumption between 2010 and 2011. If all else remains equal, this overall reduction in consumption reduces the annual revenue collected by the Utility. As was shown in Table 1, Operating and Maintenance Expenses, the costs of operating the Utility are largely fixed and do not vary with the amount of water consumed by customers. Since the rates have not been changed, the reduction in revenues collected by the Utility on the variable portion of the current water rates has resulted in a revenue shortfall.

The Utility considers that due to the nature of Panorama Mountain Village being a ski resort town, average water consumption at the Utility is dependent on the volume of seasonal residents, the duration of the ski season based on the weather, as well as new development and customer additions, and to a lesser extent increasing appliance efficiencies. The Utility notes that there has been a levelling off of new development which has caused customer growth to slow.

6.0 Reserve Funds and Capital Budget

6.1 Replacement Reserve Trust Fund

The Replacement Reserve Trust Fund (RRTF) provides funds collected from customers to pay for future repair and replacement of the infrastructure that makes up the water collection and distribution system. The fund is managed by the Utility under the direction of the Comptroller. Interest earned is retained in the fund. Funds may only be released to the Utility by authority of the Comptroller.

In accordance with Order No. 2232 the Utility increased yearly RRTF contributions from customer revenue from \$35,000 per year to \$100,000 per year effective March 1, 2010. Schedule 3 shows the historical information regarding the annual RRTF contributions and balances from 2010 through to 2018. 2018 figures includes actual balances from January through to October 2018, while November and December 2018 are projected based on historical figures and recent requests for approval to withdraw funds.

At January 1, 2018 the balance in the RRTF was \$451,223.07. Monthly contributions of \$8,333.33 are added to the RRTF from customer revenues. Interest is also earned on the trust fund balance as determined by the financial institution. Approved withdrawals, for the GSDP project, in 2018 totalled \$441,560.70. A request was sent to the Comptroller, dated November 8, 2018, to withdraw all of the remaining balance in the RRTF, \$96,013.19. Withdrawals from the RRTF for the GSDP project are consistent with the Comptroller's determination in Order No. 2498 regarding the GSDP project.

The Utility notes that withdrawals from the RRTF for the GSDP project does not impact the 2019 revenue requirements.

6.2 Deferred Capacity Trust Fund

The Deferred Capacity Trust Fund (DCTF) accumulates one-time charges for applicants for service from outside the boundaries of the Utility or from subdivision of existing lots. The amount for each class of customer is detailed in the tariff and the DCTF accumulates interest, which is retained in the fund. The DCTF is made available to pay for future expansion of water system's capacity upon the approval of the Comptroller.

At January 1, 2018 the balance in the DCTF was \$441,614.97. A request was sent to the Comptroller, dated November 8, 2018, to withdraw all of the remaining balance in the DCTF, \$445,382.80, for the GSDP project. Withdrawals from the DCTF for the GSDP project are consistent with the Comptroller's determination in Order No. 2498 regarding the GSDP project.

The Utility notes that withdrawals from the DCTF for the GSDP project does not impact the 2019 revenue requirements.

6.3 Reserve Trust Fund Proposals

1. For the following reasons, the Utility proposes to discontinue annual contributions from customer revenue into the RRTF and to close the RRTF effective January 1st, 2019:
 - i. With the installation of a ground source water supply replacing a surface water supply and a new reservoir replacing the old reservoir during 2019, the Utility anticipates that significant future capital expenditure will be limited in the near to medium term. Upon completion of the GSDP project, rate base will be established and customers will begin to pay the cost of capital for the

GSDP project. While the RRTF and DCTF contributions have reduced the overall cost of capital for the GSDP project, the Utility notes that if the RRTF contributions continue, customers will be paying to cover operating costs, the capital costs for the GSDP project and also contributing to the reserve fund for future capital projects. The Utility considers that the sum of these will have a considerable impact on customer rates.

- ii. Future capital project requirements will be financed using the rate base approach. Instead of customers making contributions in advance for a future capital expenditure as was done through the RRTF, the rate base approach will allow the Utility to recover costs for capital projects from customers only after the infrastructure/facility goes into used and useful service.
 - iii. Discontinuance of the RRTF contributions would result in a material reduction of \$100,000 or 16% of the forecast 2019 revenue requirements. Analysis of the annual bill based on proposed rates (excluding rate riders) shows that for the average residential customer making no RRTF contributions the bill is 17% lower than if that customer made RRTF contributions. This 17% difference is equivalent to \$119 of savings per year for the average residential customer. The same analysis shows that for the average commercial customer this difference is 16% or a savings of \$1,810 per year.⁹ Using proposed rates and rate riders, the Utility has presented bill impacts for residential and commercial customers both with and without RRTF contributions in Schedules 8 and 9 in Appendix A. Customer bill impacts are discussed in more detail in Section 10.0. The Utility considers that the discontinuance of RRTF contributions effective January 1, 2019 would lead to a material reduction in the revenue requirements and potential bill impacts for customers.
2. The Utility recommends that no changes be made to the contributions for the DCTF. Since contributions will continue to be made to the DCTF, the Utility will be able to use funds in this trust fund towards capital expenditure related to future expansions of the Utility's capacity.

⁹ This calculation does not include the impact of the Utility's proposed rate rider to recover the consumption deferral account deficit.

7.0 Revenue Requirements

Table 4 below shows the Revenue Requirement for the Utility from 2015 through to forecast 2019. An expanded view of Table 4 is presented in Schedule 4 which shows the Revenue Requirements from 2010 through to 2018. The figures for the years 2010 through to 2017 are consistent with those filed in Panorama Water Utility's Audited Annual Reports to the Water Comptroller. The figures for 2018 include year-to-date actuals from January 2018 to September 2018 and budgeted figures for October, November and December 2018.

Table 4: Revenue Requirements*

Line No.		Actual 2015	Actual 2016	Actual 2017	Projected 2018	With RRTF	NO RRTF
						Forecast 2019	Forecast 2019
1							
2	Fixed Operating Expenses	\$ 357,311	\$ 386,558	\$ 410,241	\$ 436,072	\$ 417,328	\$ 417,328
3	Adjustment to recover 2018 Regulatory Costs	\$ -	\$ -	\$ -	\$ (6,787)	\$ 6,787	\$ 6,787
4	Total Fixed Operating Expenses	\$ 357,311	\$ 386,558	\$ 410,241	\$ 429,285	\$ 424,115	\$ 424,115
5	Total Variable Costs	\$ 43,981	\$ 43,107	\$ 60,425	\$ 48,143	\$ 48,872	\$ 48,872
6	Total Operating Expenses for Rev. Req.	\$ 401,291	\$ 429,665	\$ 470,666	\$ 477,429	\$ 472,987	\$ 472,987
7	Income tax expense (recovery) ²	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Sub-total	\$ 401,291	\$ 429,665	\$ 470,666	\$ 477,429	\$ 472,987	\$ 472,987
9							
10	RRTF Contributions	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
11	Gross Revenue Requirements	\$ 501,291	\$ 529,665	\$ 570,666	\$ 577,429	\$ 572,987	\$ 472,987
12							
13	Operating Margin (Loss) ^{3,4}	\$ (191,177)	\$ (204,342)	\$ (218,245)	\$ (238,277)	\$ 44,934	\$ 44,934
14	Net Revenue Req. with Operating Margin/Loss	\$ 310,114	\$ 325,323	\$ 352,421	\$ 339,152	\$ 617,921	\$ 517,921
15							
16	Total Revenue Received (2010-2018)	\$ 310,114	\$ 325,323	\$ 352,421	\$ 341,086		

* - See notes in Schedule 4

The Revenue Requirement is the sum of the total operating and maintenance expenses (from Table 1 on page 5 above), income tax, RRTF contributions and the approved Operating Margin.

7.1 Adjustment for Regulatory Costs

The total Regulatory cost for this application is forecasted to be \$18,500 (\$6,787 in 2018 and \$11,713 in 2019). This include an estimate of \$8,000 of costs associated with any consultant the Comptroller's office may hire for the review of this Application. The Utility proposes to recover all of this cost through rates in 2019. As seen in line 3 of Table 4 above, the 2018 and 2019 revenue requirements have been adjusted for the proposed recovery of the regulatory costs associated with this rate application through rates effective January 1, 2019.

7.2 Income Tax

The Utility has not forecasted an income tax payment for 2019. Income tax is filed at the legal entity level, Corix Multi-Utility Services Inc. (CMUS), as opposed to on a utility basis. In addition to Panorama Water, CMUS includes other utilities across British Columbia. Income tax expense has been impacted as CMUS has been operating at a loss. Corix anticipates that there will be no income tax expense for Panorama Water in the near future as CMUS has built up a Tax-Loss Carry Forward balance that can be used to offset future taxes as a result of CMUS having a net profit. As such, no income tax expense was forecasted for 2019, despite the assumption that rates will be designed to cover costs and earn the approved Operating Margin for the Panorama Water Utility.

7.3 Contributions to the RRTF

As discussed in detail in Section 6.3 above, the Utility proposes to suspend contributions to the RRTF effective January 1, 2019. However, the Utility has provided a sensitivity analysis with two revenue requirement scenarios:

- i. Scenario A: With RRTF contributions; and
- ii. Scenario B: No RRTF contributions.

Should the Comptroller accept the Utility's proposal to discontinue RRTF contributions and close the RRTF, then the revenue requirement would be based on Scenario B.

7.4 Operating Margin

The Operating Margin is determined by the Comptroller based on the return on equity (ROE) of a designated benchmark low risk utility and a specified equity risk premium.

In the last application, the Operating Margin was calculated using the ROE allowed by the British Columbia Utilities Commission (BCUC) on the benchmark low risk utility (FortisBC Energy Inc.), plus two-times the risk premium awarded by the BCUC to Pacific Northern Gas (PNG). The ROE benchmark utility rate for 2010 was 9.50% and two-times the risk premium allowed on PNG was 1.30%, which resulted in a calculated Operating Margin for Panorama Water of 10.80% in 2010.

In the 2010 Panorama Water Rate Decision the Comptroller noted that the maximum allowable Operating Margin under the CPCN Financial Guidelines is 10% of total approved Operating Expenses and further noted that no risk premium should be allowed if a deferral account is set up for consumption estimates. The Comptroller highlighted its directive to Panorama Water to set up a deferral account to track the differences in revenues from forecast consumption estimates and actuals for 2010 and 2011. Having noted this directive, the Comptroller then limited the Operating Margin to the BCUC ROE benchmark utility rate for 2010 and 2011 to 9.5%. The Comptroller stated:

*"Accordingly, the Operating Margin should be limited to the BCUC ROE benchmark utility rate for 2010 of 9.5% ...for 2010... and for 2011 (9.5% of forecast approved Total Operating Expenses). ... The Operating Margin for 2010 and 2011 is approved at 9.5% of forecast approved Total Operating Expenses or \$23,361 for 2010 and \$24,062 for 2011."*¹⁰

7.4.1 Return on Equity for the Benchmark Utility

The BCUC held Generic Cost of Capital Stage 1 and Stage 2 proceedings from 2012 to 2014. Amongst other things, these proceedings were to review the setting of the appropriate cost of capital for a benchmark low-risk utility.

By Order G-148-12 the BCUC determined that FortisBC Energy Inc. (FEI) in its pre-amalgamation state would serve as the benchmark utility. On May 10, 2013, the BCUC issued Order G-75-13 establishing the ROE for FEI at 8.75 percent effective January 1, 2013. Order G-47-14 addressed the minimum default risk premium over the benchmark utility for small thermal energy system utilities to be 75 basis points (bps).

¹⁰ Order No. 2232 with attached Decision with Reasons, dated June 28, 2010, p. 6.

In 2016 after the amalgamation of three FortisBC utilities¹¹, the BCUC held a proceeding to review, amongst other things, FEI's return on equity. Order G-129-16 set FEI's return on equity at 8.75 percent, effective January 1, 2016, and determined that this was the benchmark for any other utility in British Columbia that uses the benchmark utility to set rates.

FEI's benchmark utility return on equity has not changed since Order G-129-16 and neither have the minimum default risk premiums over the benchmark for other utilities in the province.

7.4.2 Operating Margin Proposal

The Utility proposes to maintain the use of the original formula approved by the Water Comptroller with one modification. The Utility proposes that instead of tying the risk premium to PNG, the risk premium should instead be equal to the minimum default equity risk premium for small thermal energy system (TES) utilities as determined by the BCUC in Order G-47-14. The Utility proposes that the Operating Margin be calculated using the ROE allowed by the BCUC on the benchmark low risk utility plus the risk premium allowed for small TES utilities.

$$\text{Operating Margin} = (\text{ROE for benchmark low risk utility}) + (\text{Small TES utility risk premium})$$

$$\text{Operating Margin} = 8.75\% + 0.75\%$$

$$\text{Operating Margin} = 9.5\%$$

CMUS is comprised of TES utilities regulated by the BCUC and water utilities regulated by the Comptroller. The Utility considers that this is an efficient approach to determining the Operating Margin which ties the Operating Margin directly to CMUS utilities, as opposed to PNG.

Furthermore, the proposed formula has been approved by the Comptroller through Decision and Order No. 2512 regarding CMUS's Cultus Lake Water utility. The Utility notes that approval of this proposal would result in consistency across CMUS's two water utilities and CMUS' UniverCity District Energy System at Burnaby Mountain.¹²

The Utility's proposal acknowledges the change in the ROE for FEI since 2010 from 9.5% to 8.75% and stays below the maximum limit of 10% as defined in the Comptroller's CPCN Financial Guidelines.

7.5 Revenue Requirement

After taking into consideration the adjustment for regulatory costs, Operating and Maintenance Expenses, and the Utility's proposals for income tax, RRTF contributions and the Operating Margin, the Utility has forecast a revenue requirement of:

- i. \$617,921 under Scenario A (with RRTF); and
- ii. \$517,921 under Scenario B (No RRTF).

As shown by the Gross Revenue Requirements (line 11) in Table 4, the 2019 forecast revenue requirement is consistent with recent years. However, as line 13 in Table 4 shows, instead of achieving the Operating Margin, the Utility has incurred Operating losses. This Application proposes rates that will allow the Utility to be able to achieve its Operating Margin.

¹¹ The amalgamation of FortisBC Energy Inc. (FEI); FortisBC Energy (Vancouver Island) Inc. (FEVI); and FortisBC Energy (Whistler) Inc. (FEW) was approved by the BCUC by Order G-21-14 and consented by the Lieutenant Governor in Council through Order in Council No. 300. On December 31, 2014 the three companies amalgamated and are now collectively referred to as FEI.

¹² Approved through BCUC Order G-47-14, dated March 25, 2014 and left unchanged through C-5-17, dated September 15, 2017.

8.0 Proposed Rates

Rates are designed to yield the total revenue requirements while taking into consideration, among other things, fairness among customer classes, economic efficiency, reduction of wasteful use of water, practicality and the recovery of fixed and variable costs through fixed and variable charges.

At this time the Utility is not proposing to adjust the current overall rate design. In the next rate application, to be filed in 2019, the rate design for the Utility will be reviewed and changes, if warranted, will be proposed.

In 2017, the Utility's existing rates resulted in the collection of approximately 46.17% of the revenue from fixed charges, 51.35% from variable charges and 2.48% from availability of service charges (rent charges). Schedule 5 in Appendix A provides the calculation of the rates required for the Utility to achieve its forecast revenue requirement. Rates were design in such a way to maintain the same percentage breakdown for revenue between residential (fixed and variable charge) and commercial (fixed and variable charge) as occurred in 2017, while making adjustments for revenues from Standby charges to remain unchanged from 2018. So for example, in 2017, if the revenue from fixed charges for Commercial customers recovered 26%, the Utility ensured that based on 2019 forecast consumption the fixed charges for Commercial customers would recover the same 26% of the total revenue.

Schedule 5 includes calculations for 2019 rates for two scenarios:

- i. Scenario A: With RRTF contributions; and
- ii. Scenario B: No RRTF contributions.

The Utility proposes that rates be changed as shown in Table 5 below, based on Scenario B (No RRTF contributions). For the reasons outlined in Section 6.3, the Utility proposes to discontinue annual contributions from customer revenue into the RRTF and to close the RRTF effective January 1st, 2019. This results in a reduction in revenue requirement by \$100,000. Table 5 below outlines the existing rates, the proposed rates and the increase to rates. The Utility proposes that the new rates become effective January 1, 2019 as interim rates, that are subsequently adjusted if and as required based on the Comptrollers' final decision when rendered on this application, with any refund or additional charges to be accounted for retrospective to January 1st, 2019.

Table 5: Utility's Proposed Rates effective January 1, 2019, based on Scenario B (No RRTF)

Rate	Existing	Proposed	\$ Increase	% Increase
Residential				
• Basic service charge per bed unit (bu) per month	\$2.85	\$4.34	\$1.49	52 %
• Metered Usage (Consumption) Rate (per m ³)	\$1.77	\$2.69	\$0.92	52 %
• Availability of Service (Rent Charge) (per bu per annum)	\$45	\$45	---	---
Commercial				
• Basic service charge per bu per month	\$2.85	\$4.66	\$1.81	64 %
• Metered Usage (Consumption) Rate (per m ³)	\$1.77	\$2.69	\$0.92	52 %

9.0 Consumption Deferral Account and Rate Rider

9.1 Consumption Deferral Account

As part of the 2010 Decision on the Utility's previous water rate application, the Comptroller directed the Utility to:

*"... set up a Deferral Account to record the difference between actual and forecast consumption and any resulting revenue excess or deficit to be brought forward with the next Revenue Requirements Application as either credits or rate riders on customers' accounts."*¹³

Schedule 6 provides details of the Consumption Deferral Account. From 2010 through to 2018 the Utility has calculated the revenue variance due to consumption variance, while excluding any variance due to the number of bed units associated with the number of customers. For each of the years from 2010 to 2018, the Utility calculated the actual consumption rate.¹⁴ The difference between the calculated consumption rate and the approved consumption rate was then multiplied by the Metered Usage (Consumption) Rate to derive the revenue variance due to the consumption variance. At the end of 2018 the accumulated balance in the deferral account is projected to be a deficit of \$490,391.

The Utility proposes to recover the deficit balance of \$490,391 accumulated in the consumption deferral account. The Utility proposes that the balance be recovered from customers through the use of a rate rider as discussed in Section 9.2 below.

The Utility proposes to continue the use of the consumption deferral account going forward and to recover/refund any balance in this deferral account at the end of the year within the following 12 months. Only amounts added to the deferral account from January 1, 2019 onwards would be recovered on a 12 month basis. In the rate rider discussion below, the Utility addresses the recovery of the current projected 2018 balance in the consumption deferral account. The Utility proposes the continued use of a deferral account for consumption for the following reasons:

- i. Given that Panorama is largely a resort town, the Utility remains susceptible to consumption risk as consumption can be impacted by unfavourable weather conditions during the peak seasons (warmer than usual winters, summers with many forest fires in the region), as well as the economy of nearby regions. One of the ways for the Utility to reduce this consumption risk is through the use of a deferral account which is trued up periodically.
- ii. Another way in which the Utility could reduce this risk is through the use of rate design and the fixed and variable charges. While approximately 90% of costs are fixed, only 48% of the revenue requirement will be collected through fixed charges (including the Standby Charge). The Utility has designed rates to maintain the current percentages of revenue through fixed and variable charges. In the subsequent rate application to be filed in 2019 the Utility will undertake a review of its rate design to determine if and how any changes are needed. However, the Utility notes that rate design takes into account other aspects, including the encouragement of efficient use of the system and the reduction of wasteful use of water. The amount of costs recovered through fixed charges can impact how customers use water in the system. Consideration for this, and other rate design principles may impact how much of the costs can be recovered through fixed charges.

¹³ Order No. 2232 with attached Decision with Reasons, dated June 28, 2010, p. 6.

¹⁴ 2018 Projected consumption figures include actuals from January to July 2018, and forecasts from August 2018 to December 2018.

As such, the Utility proposes the use of a deferral account to reduce the risk of consumption variance.

- iii. Furthermore, should customers consume more than was forecast for the period, the deferral account would end the period with a surplus balance. This surplus would be refunded to customers throughout the following year.

9.2 Rate Rider

Schedule 7 shows the calculation of a rate rider to recover the balance of the deferral account over one, two or three years. Schedule 7 is summarized in Table 6 below.

Table 6: Consumption Deferral Rate Rider

	Forecast		
	2019	2020	2021
Forecast Annual Consumption (cu. meter)			
Annual Consumption - Residential	24,097	24,453	24,502
Annual Consumption - Commercial	75,587	76,914	76,531
Total Annual Consumption	99,684	101,367	101,033
Rate Rider (1 year recovery) (per cu. meter)	\$ 4.92	\$ -	\$ -
Rate Rider (2 year recovery) (per cu. meter)	\$ 2.46	\$ 2.42	\$ -
Rate Rider (3 year recovery) (per cu. meter)	\$ 1.64	\$ 1.61	\$ 1.62

Notes

- 1) The calculation of the deferral rate rider assumes no addition to the Accumulated Consumption Deferral in 2019 due to a change in rates stemming from this Water Rate Application.
- 2) The 2020 and 2021 annual consumption forecasts were developed using the same methodology to develop the 2019 forecast, described in Section 5.0.

The Utility proposes that the deficit of \$490,391 be recovered over two years with a rate rider of \$2.46 per cubic meter effective January 1, 2019 which is then reduced to \$2.42 per cubic meter effective January 1, 2020 based on the current forecast consumption for 2020.

It would not be practical for the Utility to recover from customers the deferral account balance in one year. A rate rider of \$4.92 per cubic meter would eclipse the proposed Metered Usage (Consumption) rates (\$2.69 per cubic meter) and place a significant burden on customers. Conversely, the Utility considers that the recovery of the deferral account balance over three years would further delay the Utility's recovery of past operating costs. The Utility notes that customers have had the same rates for over eight years (since March 2010) and considers it reasonable to propose to recover the deficit balance in the deferral account in two years.

Considering the length of time that has passed since customer rates have been increased to recover increasing costs and to account for declining consumption the Utility proposes that the deferral account balance be recovered over two years using the rate riders discussed above.

10.0 Bill Impacts

Schedules 8 and 9 in Appendix A, summarized in Table 7 below, presents the total bill impact for all the proposed changes on:

- A residential customer with the average number of bed units and average consumption based on 2017 actuals; and
- A commercial customer with the average number of bed units and average consumption based on 2017 actuals.

The average number of bed units per customer is based on the number of customers and the number of bed units for that customer class. The average consumption per customer is based on the number of customers and the total consumption for that customer class. The total bill impact shown excludes any applicable taxes for customers.

Table 7: Customer Bill Impact based on the proposed rates and rate rider

	Fixed Charge	Variable Charge	Rate Rider	Forecast 2019 Bill	
	\$ / bu / mth	\$ / m ³	\$ / m ³	Annual (\$)	Monthly (\$)
Residential					
Existing	2.85	1.77	-	386.04	32.17
Proposed	4.34	2.69	2.46	793.89	66.16
Change (\$)	1.49	0.92	2.46	407.85	33.99
Change (%)	52%	52%	N/A	106%	106%
Commercial					
Existing	2.85	1.77	-	5,995.19	499.60
Proposed	4.66	2.69	2.46	14,574.57	1,214.55
Change (\$)	1.81	0.92	2.46	8,579.38	714.95
Change (%)	64%	52%	N/A	143%	143%

Notes

- 1) Residential - The average bed units per customer ranged from 5.12 bu in 2010 to 6.95 bu in 2017. The 2017 average number of bed units per customer (6.95) was used to determine the impact of the proposed rates.
- 2) Commercial – The average bed units per customer ranged from 65.53 bu in 2010 up to a peak of 72.40 in 2016 before settling at 65.89 bu in 2017. The 2017 average number of bed units per customer (65.89) was used to determine the impact of the proposed rates.

As seen in Table 7, the proposed rates will result in a:

- Total annual bill increase of 106% or \$407.85 for the average residential customer, which translates to an increase of \$33.99 per month; and
- Total annual bill increase of 143% or \$8,579.38 for the average commercial customer, which translates to an increase of \$714.95 per month

Customers have not had an increase in rates since March 2010, more than 8 years. Considering the length of time that has passed since customer rates have been increased to recover increasing costs and to account for declining consumption, the Utility considers the proposals for rates and the rate rider just and reasonable.

11.0 Update on Groundwater Source Development Program Project

As described in Section 3.2, the GSDP project is to address issues regarding the quality of water provided to customers in Panorama. This includes seasonal turbidity events that result in boil water notices and advisories due to an inability to meet the Interior Health Authority's drinking water treatment objectives. On July 10, 2018, the Utility submitted the final cost estimates and physical design to the Comptroller and requested approval to proceed with construction of the project. Through Order No. 2531, dated July 30, 2018, the Comptroller granted approval of the final cost estimate and the physical design for the GSDP project and granted approval to the Utility to proceed with the construction of the project.

Detailed design and engineering for the project was completed and the Utility selected Acres Enterprises to be the contractor for the project. Acres Enterprises has years of demonstrated success completing water works projects throughout British Columbia. Construction of the new water system commenced in September and will progress until late November. Construction at the site will continue until snowfall restricts operations. To date, the following work has been completed:

- Utility locates and exposure;
- Relocation of powerlines;
- Clearing and grubbing of all sites;
- Well drilling and preliminary development;
- Bulk excavation for reservoir and construction of access road to reservoir;
- Excavation of booster station; and
- Construction of concrete wet well at booster station.



Figure 1: Construction of Wet Well at Booster Station

The Utility anticipates the completion of the following work before the site shuts down for the winter:

- Concrete foundations and structure for Booster Station; and
- Installation of waterline by conventional trenching from 0+010 to 0+200 and from 1+160 to 1+600.



Figure 2: Excavation for Waterline from Booster Station to Reservoir

Work will resume in spring 2019 once the ski area closes and the site is free of snow. The completion of the project in 2019 will include the:

- Installation of the waterline by horizontal boring under Cox Creek, Toby Creek and other locations;
- Construction of above ground bolted steel reservoir;
- Well development and installation of well pumps;
- Installation of UV and chlorination equipment and associated transmission lines and appurtenances; and
- Configuration of the SCADA controls.

At this time, the Utility anticipates construction being complete and the system fully commissioned and operational in the Fall of 2019. Decommissioning of the existing reservoir and booster station will occur after the new system is fully operational.

Appendix A

Financial Schedules

Corix Multi-Utility Services Inc.
Panorama Water Utility
Schedule of Operating and Maintenance Expenses

Inflation Rate ¹	2.00%
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Line No.	Expense	Cost Type	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Projected ⁶ 2018	Forecast 2019
1												
2	Cost of Goods Sold											
3	Chlorine and Supplies	Variable	\$ 3,303	\$ 2,981	\$ 2,498	\$ 2,354	\$ 4,042	\$ 8,020	\$ 2,889	\$ 6,532	\$ 6,261	\$ 6,387
4	Contracting	Variable	\$ 3,985	\$ 5,287	\$ 28	\$ 3,821	\$ 901	\$ 1,541	\$ 1,033	\$ 1,547	\$ -	\$ -
5	Billing & Customer Care	Variable	\$ 13,487	\$ 9,088	\$ 9,021	\$ 9,545	\$ 8,265	\$ 9,412	\$ 9,782	\$ 11,200	\$ 11,700	\$ 11,700
6	Water testing	Fixed	\$ 12,836	\$ 13,460	\$ 7,404	\$ 3,469	\$ 3,510	\$ 3,372	\$ 4,553	\$ 3,879	\$ 5,105	\$ 5,207
7	Wages - Operators	Fixed	\$ 57,205	\$ 59,246	\$ 62,065	\$ 83,974	\$ 84,394	\$ 84,873	\$ 89,625	\$ 90,993	\$ 117,612	\$ 119,964
8	Utilities	Variable	\$ 13,910	\$ 13,564	\$ 12,441	\$ 15,319	\$ 17,335	\$ 19,275	\$ 19,925	\$ 29,477	\$ 22,771	\$ 23,226
9	Total Cost of Goods Sold		\$ 104,726	\$ 103,628	\$ 93,456	\$ 118,481	\$ 118,447	\$ 126,493	\$ 127,807	\$ 143,628	\$ 163,449	\$ 166,484
10												
11	Selling, General and Administration Expenses											
12	Advertising	Fixed	\$ -	\$ -	\$ 132	\$ -	\$ -	\$ -	\$ 140	\$ 581	\$ 74	\$ 150
13	Accounting	Fixed	\$ 8,500	\$ 8,500	\$ 8,649	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500
14	Vehicles/Travel	Fixed	\$ 20,965	\$ 25,998	\$ 24,582	\$ 19,723	\$ 19,836	\$ 24,625	\$ 26,634	\$ 24,423	\$ 26,659	\$ 27,192
15	Freight	Variable	\$ 1,321	\$ 1,593	\$ 1,187	\$ 326	\$ 1,635	\$ 474	\$ 1,755	\$ 2,160	\$ 2,202	\$ 2,246
16	Insurance	Fixed	\$ 4,519	\$ 4,317	\$ 3,823	\$ 2,853	\$ 2,417	\$ 3,440	\$ 2,767	\$ 2,945	\$ 2,912	\$ 2,970
17	Wages - Administration ²	Fixed	\$ 10,597	\$ 11,083	\$ 11,397	\$ 8,076	\$ 13,261	\$ 14,497	\$ 34,554	\$ 43,408	\$ 38,666	\$ 7,279
18	Licenses and Permits	Fixed	\$ 834	\$ 566	\$ 591	\$ 507	\$ 1,067	\$ 589	\$ 839	\$ 904	\$ 939	\$ 957
19	Hydrant maintenance	Fixed	\$ 13,899	\$ 7,739	\$ 4,121	\$ -	\$ -	\$ -	\$ 255	\$ -	\$ 1,749	\$ 1,784
20	Repairs and maintenance	Fixed	\$ 11,824	\$ 17,644	\$ 2,081	\$ 20,376	\$ 57,676	\$ 2,703	\$ 15,722	\$ 6,764	\$ 7,530	\$ 7,681
21	Office expenses	Fixed	\$ 8,584	\$ 14,236	\$ 14,287	\$ 20,326	\$ 14,955	\$ 39,669	\$ 26,280	\$ 26,194	\$ 23,530	\$ 24,001
22	Shop supplies	Variable	\$ 2,041	\$ 3,003	\$ 1,170	\$ 4,754	\$ 9,696	\$ 5,259	\$ 7,723	\$ 9,509	\$ 5,209	\$ 5,314
23	Training	Fixed	\$ 5,628	\$ 4,536	\$ 7,099	\$ 8,478	\$ 7,271	\$ 4,473	\$ 3,960	\$ 6,769	\$ 4,153	\$ 4,236
24	Bad Debt	Fixed	\$ 6,614	\$ 135	\$ 671	\$ (160)	\$ 85	\$ 300	\$ 4	\$ -	\$ -	\$ -
25	Corporate Services ^{3,4}	Fixed	\$ 130,634	\$ 151,646	\$ 176,635	\$ 211,428	\$ 224,597	\$ 170,270	\$ 172,725	\$ 194,881	\$ 191,856	\$ 195,693
26	Regulatory Costs ⁵	Fixed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,787	\$ 11,713
27	Total selling, general and administration		\$ 225,960	\$ 250,994	\$ 256,426	\$ 305,186	\$ 360,996	\$ 274,798	\$ 301,858	\$ 327,038	\$ 320,767	\$ 299,716
28												
29	Total Expenditures		\$ 330,686	\$ 354,622	\$ 349,882	\$ 423,668	\$ 479,443	\$ 401,291	\$ 429,665	\$ 470,666	\$ 484,216	\$ 466,200
30												
31	Cost Analysis											
32	Total Fixed Operating Expenses		\$ 292,639	\$ 319,104	\$ 323,537	\$ 387,550	\$ 437,568	\$ 357,311	\$ 386,558	\$ 410,241	\$ 436,072	\$ 417,328
33	Total Variable Costs		\$ 38,047	\$ 35,517	\$ 26,345	\$ 36,118	\$ 41,874	\$ 43,981	\$ 43,107	\$ 60,425	\$ 48,143	\$ 48,872
34												
35	Fixed Operating Expenses as percentage of Total Expenses		88.5%	90.0%	92.5%	91.5%	91.3%	89.0%	90.0%	87.2%	90.1%	89.5%
36	Variable Costs as percentage of Total Expenses		11.5%	10.0%	7.5%	8.5%	8.7%	11.0%	10.0%	12.8%	9.9%	10.5%

Notes

- 1) Inflation is set to the Bank of Canada's target inflation rate. Expenses for 2019 escalated from 2018 Projected figures based on the target inflation rate, except for (i) Billing and Customer Care; (ii) Advertising; (iii) Accounting; (iv) Wages - Administration and (v) Regulatory Costs
- 2) The 2019 forecast for Wages-Administration has been reduced by \$22,500 to account for Corix Administration Costs of \$2,500 per month associated with the administrative costs of managing the GSDP project. The \$2,500 per month of Administration Costs were approved through Order No. 2531 which addressed the final cost estimate for the GSDP project. The Utility will request to recover these costs in the subsequent rate application to be filed in 2019.
- 3) The Massachusetts Formula was used from 2010 through to 2017 to allocate Corporate Services charges to Panorama Water Utility. The Massachusetts Formula allocates costs based on an arithmetical average of: operating revenue, payroll, and average net book value of tangible capital assets plus inventories. The corporate service charges are overhead costs incurred by Corix, the parent company of Corix Multi-Utility Services Inc., in the course of managing it's utility business.
- 4) Corix has employed external consultants to investigate the use of a alternate methodology to allocate corporate services overhead charges to its utilities. For the 2018 projection, Corix used the 2017 figure less direct costs associated with preparing this rate application, and escalated the net figure using the inflation rate. The 2019 figure is an escalation of the 2018 figure using the inflation rate. CMUS anticipates that in the subsequent rate allocation to be filed in 2019, the corporate services expense could be updated based on the use of a different methodology as a result of the external consultants findings and recommendations. At this time CMUS has no indication of what the new figure could be.
- 5) Regulatory costs were incurred during the preparation of this rate application in 2018. The costs have been shown in both 2018 and 2019 to reflect the timing of when the expenses will occur. 2019 forecast figures includes \$8,000 for any consultant(s) that the Comptroller might hire for the review of this application. The Utility proposes to recover the total regulatory costs through rates effective January 1, 2019. This adjustment to include 2018 regulatory costs in the 2019 O&M forecast is shown in Schedule 3. These regulatory costs presented here do not include costs associated with the preparation of the subsequent application for rates to be filed in 2019.
- 6) Projected 2018 figures include actual year-to-date costs up to September 30, 2018 and forecast costs from October 1 to December 31st, 2018.

Corix Multi-Utility Services Inc.
Panorama Water Utility
Schedule of Revenues

Schedule 2

Line No.		Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Projected 2018	Forecast 2019
1											
2	Number of Customers (Average per year)										
3	Residential - metered	263	263	263	263	263	274	283	287	288	288
4	Commercial	39	36	35	33	33	34	34	37	37	37
5	Total metered customers	302	299	298	296	296	308	317	324	325	325
6											
7	Residential - unmetered ¹	37	37	37	36	37	40	31	30	30	30
8	Total Customers	339	336	335	332	333	348	348	354	355	355
9											
10	Average Annual Number of bed units (bu)										
11	Residential bu	1,345	1,754	1,763	1,761	1,769	1,814	1,936	1,996	2,017	2,017
12	Commercial bu	2,556	2,543	2,471	2,360	2,342	2,346	2,462	2,438	2,438	2,438
13	Total Annual bu	3,901	4,297	4,234	4,121	4,111	4,160	4,397	4,434	4,455	4,455
14											
15	Annual Consumption (cu. M)										
16	Annual Consumption - Residential	23,572	21,554	20,465	21,037	20,845	21,353	22,044	24,027	24,957	24,097
17	Annual Consumption - Commercial	94,195	70,256	66,982	75,897	76,348	69,405	72,107	78,216	77,091	75,587
18	Total Annual Consumption	117,767	91,810	87,447	96,934	97,193	90,758	94,151	102,243	102,048	99,684
19											
20	Sales Revenue										
21	Residential - Basic Charge (excl. accruals)	\$ 44,224	\$ 59,997	\$ 60,299	\$ 60,239	\$ 60,511	\$ 62,045	\$ 66,206	\$ 68,266	\$ 68,981	
22	Residential - Usage (excl. accruals)	\$ 41,722	\$ 38,151	\$ 36,223	\$ 37,235	\$ 36,896	\$ 37,795	\$ 39,018	\$ 42,528	\$ 44,174	
23	Residential Sales Revenue (excl. accruals)	\$ 85,946	\$ 98,148	\$ 96,522	\$ 97,475	\$ 97,407	\$ 99,839	\$ 105,223	\$ 110,794	\$ 113,155	
24											
25	Commercial - Basic Charge (excl. accruals)	\$ 84,746	\$ 86,971	\$ 84,520	\$ 80,701	\$ 80,079	\$ 80,222	\$ 84,183	\$ 83,380	\$ 83,380	
26	Commercial - Usage (excl. accruals)	\$ 166,725	\$ 124,353	\$ 118,558	\$ 134,338	\$ 135,136	\$ 122,847	\$ 127,629	\$ 138,442	\$ 136,451	
27	Commercial Sales Revenue (excl. accruals)	\$ 251,470	\$ 211,324	\$ 203,078	\$ 215,038	\$ 215,215	\$ 203,069	\$ 211,813	\$ 221,822	\$ 219,831	
28											
29	Accruals - Residential	\$ (2,503)	\$ 403	\$ (28)	\$ (2,076)	\$ 1,044	\$ (1,072)	\$ 1,424	\$ 1,668	\$ -	
30	Accruals - Commercial	\$ (8,917)	\$ 8,049	\$ (253)	\$ (8,037)	\$ 7,949	\$ (2,567)	\$ (3,160)	\$ 9,392	\$ -	
31	Total Accruals ^{2,3}	\$ (11,420)	\$ 8,452	\$ (281)	\$ (10,113)	\$ 8,993	\$ (3,639)	\$ (1,736)	\$ 11,060	\$ -	
32											
33	Total Sales Revenue	\$ 325,996	\$ 317,924	\$ 299,319	\$ 302,400	\$ 321,615	\$ 299,269	\$ 315,300	\$ 343,676	\$ 332,986	
34											
35	Other Revenue										
36	Residential - Availability of Service (Rent) Charges	\$ 9,250	\$ 10,823	\$ 9,990	\$ 9,900	\$ 10,083	\$ 9,995	\$ 9,213	\$ 8,170	\$ 8,100	
37	Residential Connection Fees	\$ 550	\$ 380	\$ 615	\$ 255	\$ 475	\$ 850	\$ 810	\$ 575	\$ -	
38	Residential - Other Income	\$ 480	\$ -	\$ 1,065	\$ 180	\$ 180	\$ -	\$ -	\$ -	\$ -	
39											
40	Total Revenue	\$ 336,276	\$ 329,127	\$ 310,989	\$ 312,735	\$ 332,353	\$ 310,114	\$ 325,323	\$ 352,421	\$ 341,086	
41											
42	Total Residential Revenue	\$ 93,723	\$ 109,754	\$ 108,164	\$ 105,734	\$ 109,189	\$ 109,612	\$ 116,670	\$ 121,207	\$ 121,255	
43	Total Commercial Revenue	\$ 242,553	\$ 219,373	\$ 202,825	\$ 207,001	\$ 223,164	\$ 200,502	\$ 208,653	\$ 231,214	\$ 219,831	

**Corix Multi-Utility Services Inc.
Panorama Water Utility
Schedule of Revenues**

Schedule 2

Notes

1. These are "Availability of Service" customers, also known as Rent (Standby) Customers.
2. Accruals occur due to the timing of the generation of the bill and the allowed payment period. For example, a customer's use for December is billed in January of the following year and the payment deadline would occur in February. Due to this delay accrual adjustments are made. The accrual figures shown here represent the aggregate accrual adjustments throughout the year.
3. Corix does not forecast accruals.

Corix Multi-Utility Services Inc.
Panorama Water Utility
Reserve Trust Fund Summary

Line No.	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Projected 2018	Forecast 2019
1										
2	Replacement Reserve Trust Fund (RRTF)									
3	\$ 232,034	\$ 297,556	\$ 374,654	\$ 479,189	\$ 256,901	\$ 360,133	\$ 436,439	\$ 348,282	\$ 451,223	\$ -
4										
5	\$ 1,355	\$ 3,471	\$ 4,535	\$ 5,275	\$ 3,232	\$ 3,696	\$ 3,554	\$ 2,941	\$ 3,027	\$ -
6										
7										
8	Replacement Reserve:									
9	\$ 89,167	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
10										
11										
12										
13										
14	\$ (25,000)	\$ (26,372)	\$ -	\$ (327,563)	\$ -	\$ (27,389)	\$ (191,712)	\$ -	\$ (554,250)	\$ -
15										
16	\$ 297,556	\$ 374,654	\$ 479,189	\$ 256,901	\$ 360,133	\$ 436,439	\$ 348,282	\$ 451,223	\$ -	\$ -
17										
18	Deferred Capacity Trust Fund (DCTF)									
19	\$ 155,744	\$ 156,574	\$ 158,305	\$ 160,060	\$ 387,732	\$ 392,042	\$ 434,953	\$ 438,302	\$ 441,615	\$ -
20										
21	\$ 831	\$ 1,731	\$ 1,755	\$ 1,872	\$ 4,310	\$ 3,911	\$ 3,348	\$ 3,313	\$ 3,768	\$ -
22				\$ 225,800		\$ 39,000				\$ -
23										
24										
25								\$ (445,383)	\$ -	\$ -
26										
27	\$ 156,574	\$ 158,305	\$ 160,060	\$ 387,732	\$ 392,042	\$ 434,953	\$ 438,302	\$ 441,615	\$ -	\$ -

Notes

1) The 2018 projected figures and the 2019 forecast assumes approval of the withdrawal of all funds from the RRTF and DCTF for the GSDP project the by the end of 2018.

**Corix Multi-Utility Services Inc.
Panorama Water Utility
Revenue Requirements**

Proposed Operating Margin ¹	9.50%
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Line No.	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Projected 2018	With RRTF	NO RRTF
										Forecast 2019	Forecast 2019
1											
2	\$ 292,639	\$ 319,104	\$ 323,537	\$ 387,550	\$ 437,568	\$ 357,311	\$ 386,558	\$ 410,241	\$ 436,072	\$ 417,328	\$ 417,328
3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,787)	\$ 6,787	\$ 6,787
4	\$ 292,639	\$ 319,104	\$ 323,537	\$ 387,550	\$ 437,568	\$ 357,311	\$ 386,558	\$ 410,241	\$ 429,285	\$ 424,115	\$ 424,115
5	\$ 38,047	\$ 35,517	\$ 26,345	\$ 36,118	\$ 41,874	\$ 43,981	\$ 43,107	\$ 60,425	\$ 48,143	\$ 48,872	\$ 48,872
6	\$ 330,686	\$ 354,622	\$ 349,882	\$ 423,668	\$ 479,443	\$ 401,291	\$ 429,665	\$ 470,666	\$ 477,429	\$ 472,987	\$ 472,987
7	\$ (13,044)	\$ (19,586)	\$ (21,677)	\$ (32,920)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	\$ 317,642	\$ 335,036	\$ 328,205	\$ 390,748	\$ 479,443	\$ 401,291	\$ 429,665	\$ 470,666	\$ 477,429	\$ 472,987	\$ 472,987
9											
10	\$ 89,167	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
11	\$ 406,809	\$ 435,036	\$ 428,205	\$ 490,748	\$ 579,443	\$ 501,291	\$ 529,665	\$ 570,666	\$ 577,429	\$ 572,987	\$ 472,987
12											
13	\$ (70,533)	\$ (105,909)	\$ (117,216)	\$ (178,013)	\$ (264,590)	\$ (191,177)	\$ (204,342)	\$ (218,245)	\$ (238,277)	\$ 44,934	\$ 44,934
14	\$ 336,276	\$ 329,127	\$ 310,989	\$ 312,735	\$ 314,853	\$ 310,114	\$ 325,323	\$ 352,421	\$ 339,152	\$ 617,921	\$ 517,921
15											
16	\$ 336,276	\$ 329,127	\$ 310,989	\$ 312,735	\$ 332,353	\$ 310,114	\$ 325,323	\$ 352,421	\$ 341,086		

Notes

1) The Utility proposes that the Operating Margin be calculated using the ROE allowed by the BCUC on the benchmark low risk utility (8.75%) plus the risk premium allowed for small TES utilities (0.75%). The proposed formula has been approved by the Comptroller through Decision and Order No. 2512 regarding CMUS's Cultus Lake Water utility. Approval of this proposal would result in consistency across CMUS's two water utilities.

2) Income tax expense (recovery) has been impacted as CMUS has been operating at a loss. No income tax expense is forecasted for Panorama Water in the near future as CMUS has built up a Tax-Loss Carry Forward balance that can be used to offset future taxes in each of its utilities.

3) 2010 to 2017 figures are actual figures. Negative figures show an Operating Loss. The 2018 figure is projected based on forecast expenses and revenue. The 2019 figures are forecasts.

4) The actual cumulative Operating Loss from 2010 through to 2017 is \$ (1,350,024)

**Corix Multi-Utility Services Inc.
Panorama Water Utility
Calculation of Required Rates**

Schedule 5

Line No.		Actual ¹		Projected		Calculations for % Breakdown for 2019 Rev. Req.	With RRTF	NO RRTF
		2017	of 2017 Revenue	2018	of 2018 Revenue		Forecast 2019	Proposed 2019
1	Total Revenue Requirement	\$ 352,421		\$ 339,152			\$ 617,921	\$ 517,921
2								
3	Number of bed units - Residential (bu)	1,996		2,017			2,017	2,017
4	Number of bed units - Commercial (bu)	2,438		2,438			2,438	2,438
5	Total Annual bu	4,434		4,455			4,455	4,455
6								
7	<u>Annual Usage (cu. meter)</u>							
8	Annual Usage - Residential	24,027		24,957			24,097	24,097
9	Annual Usage - Commercial	78,216		77,091			75,587	75,587
10	Total Annual Usage	102,243		102,048			99,684	99,684
11								
12	<u>Residential Revenue</u>							
13	Fixed Charges	\$ 69,934	20%	\$ 68,981	20%	21%	\$ 126,236	\$ 105,152
14	Variable Charges	\$ 42,528	12%	\$ 44,174	13%	13%	\$ 78,183	\$ 64,875
15	Standby Charges and Others ^{2,3}	\$ 8,745	2%	\$ 8,100	2%	See note 4	\$ 8,100	\$ 8,100
16	Total Residential Revenue	\$ 121,207	34%	\$ 121,255	36%	34%	\$ 212,519	\$ 178,127
17								
18	<u>Commercial Revenue</u>							
19	Fixed Charges	\$ 92,772	26%	\$ 83,380	24%	26%	\$ 162,662	\$ 136,338
20	Variable Charges	\$ 138,442	39%	\$ 136,451	40%	39%	\$ 242,739	\$ 203,456
21	Total Commercial Revenue	\$ 231,214	66%	\$ 219,831	64%	66%	\$ 405,401	\$ 339,794
22								
23	Total Revenue	\$ 352,421	100%	\$ 341,086	100%	100%	\$ 617,921	\$ 517,921
24								

Corix Multi-Utility Services Inc.
Panorama Water Utility
Calculation of Required Rates

Schedule 5

25

26

27

28 **Calculation of Rates to obtain revenue required**

29 Residential Basic service charge per bed unit (bu) per month

30 Residential Metered Usage Rate (per cu. meter)

31 Commercial Basic service charge per bu per month

32 Commercial Metered Usage Rate (per cu. meter)

33 Availability of Service (Rent) Charge (per bu per annum)

34

35 **Annual Rate Increase**

36 Basic service charge- Residential

37 Residential Metered Usage Rate

38 Basic service charge- Commercial

39 Commercial Metered Usage Rate

40 Availability of Service (Rent) Charge

	Actual 2017	Projected 2018	With RRTF Forecast 2019	NO RRTF Proposed 2019
Residential Basic service charge per bed unit (bu) per month	\$ 2.85	\$ 2.85	\$ 5.22	\$ 4.34
Residential Metered Usage Rate (per cu. meter)	\$ 1.77	\$ 1.77	\$ 3.24	\$ 2.69
Commercial Basic service charge per bu per month	\$ 2.85	\$ 2.85	\$ 5.56	\$ 4.66
Commercial Metered Usage Rate (per cu. meter)	\$ 1.77	\$ 1.77	\$ 3.21	\$ 2.69
Availability of Service (Rent) Charge (per bu per annum)	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00
Annual Rate Increase				
Basic service charge- Residential	N/A	0%	83%	52%
Residential Metered Usage Rate	N/A	0%	83%	52%
Basic service charge- Commercial	N/A	0%	95%	64%
Commercial Metered Usage Rate	N/A	0%	81%	52%
Availability of Service (Rent) Charge	N/A	0%	0%	0%

Notes

1) For 2017 these figures represent the total revenue obtained from residential and commercial customers at existing rates

2) "Standby Charges and Others" include revenue from (i) Availability of Service fee; and (ii) Residential Connections Fee

3) The Utility forecasts no changes in the number of Standby (Rent) customers and proposes that no change be made to the the Availability of Service (Rent) Charge per bu per annum.

4) The Utility adjusted the calculations to adjust for Standby Revenue being forecasted to remain constant in 2019. The forecasted breakdown for revenue from residential fixed, variable and standby charges is 20%, 13% and 1% respectively for both scenarios ((i) With RRTF; and (ii) NO RRTF).

5) The proportion of revenue collected through fixed and variable charges for residential and commercial was set to be equal to the actual proportions collected in 2017, with an adjustment to accommodate the forecast revenue from Standby Charges. Further analysis of this breakdown will be reviewed in the subsequent rate application that incorporates costs associated with the GSDP project.

**Corix Multi-Utility Services Inc.
Panorama Water Utility
Consumption Deferral Account**

Schedule 6

Line No.	Actual	2010	2011	2012	2013	2014	2015	2016	2017	2018
1	Number of bed units (bu)									
2	Residential bu	1,345	1,754	1,763	1,761	1,769	1,814	1,936	1,996	2,017
3	Commercial bu	2,556	2,543	2,471	2,360	2,342	2,346	2,462	2,438	2,438
4	Total Annual bu	3,901	4,297	4,234	4,121	4,111	4,160	4,397	4,434	4,455
5										
6	Consumption (cu. M)									
7	Annual Consumption - Residential	23,572	21,554	20,465	21,037	20,845	21,353	22,044	24,027	24,957
8	Annual Consumption - Commercial	94,195	70,256	66,982	75,897	76,348	69,405	72,107	78,216	77,091
9	Total Annual Consumption	117,767	91,810	87,447	96,934	97,193	90,758	94,151	102,243	102,048
10										
11	Calculated Consumption Rate (cu. M/bu)									
12	Calculated Avg. Consump. Rate - Residential	17.52	12.29	11.61	11.94	11.78	11.77	11.39	12.04	12.37
13	Calculated Avg. Consump. Rate - Commercial	36.86	27.63	27.10	32.16	32.61	29.59	29.29	32.08	31.62
14										
15	Approved^{1,2}	2010	2011	2012	2013	2014	2015	2016	2017	2018
16	Approved Average Consumption Rate (cu. M/bu)^{1,2}									
17	Average Consump. Rate - Residential	17.09	15.26	15.26	15.26	15.26	15.26	15.26	15.26	15.26
18	Average Consump. Rate - Commercial	41.37	41.37	41.37	41.37	41.37	41.37	41.37	41.37	41.37
19										
20	Water Consumption Rate	2010	2011	2012	2013	2014	2015	2016	2017	2018
21	Water Consumption Rate - Res. (\$/CuM)	\$ 1.77	\$ 1.77	\$ 1.77	\$ 1.77	\$ 1.77	\$ 1.77	\$ 1.77	\$ 1.77	\$ 1.77
22	Water Consumption Rate - Comm.(\$/CuM)	\$ 1.77	\$ 1.77	\$ 1.77	\$ 1.77	\$ 1.77	\$ 1.77	\$ 1.77	\$ 1.77	\$ 1.77
23										
24	Revenue Variance due to Consumption Variance	2010	2011	2012	2013	2014	2015	2016	2017	2018
25	Residential Consump. Revenue Variance	\$ 1,024.86	\$ (9,244.29)	\$ (11,409.94)	\$ (10,350.30)	\$ (10,905.14)	\$ (11,217.21)	\$ (13,281.12)	\$ (11,398.94)	\$ (10,317.99)
26	Commercial Consump. Revenue Variance	\$ (20,422.43)	\$ (61,878.55)	\$ (62,425.16)	\$ (38,467.92)	\$ (36,339.25)	\$ (48,933.50)	\$ (52,633.79)	\$ (40,099.88)	\$ (42,090.85)
27	Total Consump. Revenue Variance	\$ (19,398)	\$ (71,123)	\$ (73,835)	\$ (48,818)	\$ (47,244)	\$ (60,151)	\$ (65,915)	\$ (51,499)	\$ (52,409)
28										
29	Accumulated Consumption Deferral Account Balance	\$ (19,398)	\$ (90,520)	\$ (164,356)	\$ (213,174)	\$ (260,418)	\$ (320,569)	\$ (386,484)	\$ (437,983)	\$ (490,391)
30										

Notes

1) In the 2010 Rate Application the Office of the Comptroller approved forecast consumption based on an average consumption rate equivalent to 15.26 cu. M/bu for Residential customers and 41.37 cu. M/bu for Commercial customers. These figures were held constant during the period 2012 through to 2018.

2) 2010 and 2011 forecasts were approved in Order No. 2232 regarding the 2010 Panorama Rate Application

3) 2018 Actual figures include actuals up to and including July 2018

4) The revenue variance was calculated by multiplying the actual number of bed units by the difference between the actual consumption and the forecast consumption and then multiplying that product by the Water consumption rate. This was done so as to eliminate any revenue variance associated with the variance between the forecast number of bed units and the actual number of bed unit

**Corix Multi-Utility Services Inc.
Panorama Water Utility
Consumption Deferral Rate Rider**

Schedule 7

Line No.		Forecast		
		2019	2020	2021
1	Forecast Annual Consumption (cu. meter)			
2	Annual Consumption - Residential	24,097	24,453	24,502
3	Annual Consumption - Commercial	75,587	76,914	76,531
4	Total Annual Consumption	99,684	101,367	101,033
5				
6	Calculation of rate rider to recover deferral account balance			
7	Accumulated Consumption Deferral Account Balance			
8	As at January 1st	\$ (490,391.42)	\$ -	\$ -
9	Rate Rider (1 year recovery) (per cu. meter)	\$ 4.92	\$ -	\$ -
10	Revenue from Rate Rider	\$ 490,391.42	\$ -	\$ -
11	Accumulated Consumption Deferral Account Balance	\$ -	\$ -	\$ -
12				
13	Accumulated Consumption Deferral Account Balance			
14	As at January 1st	\$ (490,391.42)	\$ (245,195.71)	\$ -
15	Rate Rider (2 year recovery) (per cu. meter)	\$ 2.46	\$ 2.42	\$ -
16	Revenue from Rate Rider	\$ 245,195.71	\$ 245,195.71	\$ -
17	Accumulated Consumption Deferral Account Balance	\$ (245,195.71)	\$ -	\$ -
18				
19	Accumulated Consumption Deferral Account Balance			
20	As at January 1st	\$ (490,391.42)	\$ (326,927.61)	\$ (163,463.81)
21	Rate Rider (3 year recovery) (per cu. meter)	\$ 1.64	\$ 1.61	\$ 1.62
22	Revenue from Rate Rider	\$ 163,463.81	\$ 163,463.81	\$ 163,463.81
23	Accumulated Consumption Deferral Account Balance	\$ (326,927.61)	\$ (163,463.81)	\$ -

Notes

1) The calculation of the consumption deferral rate rider assumes no addition to the Accumulated Consumption Deferral in 2019 due to this Water Rate Application and a change in rates.

2) The 2020 and 2021 forecast figures were developed using a rolling 3-year average of the consumption per bed unit and the number of bed units on a monthly basis. The monthly average forecasts were then totalled to obtain the annual consumption forecast.

**Corix Multi-Utility Services Inc.
Panorama Water Utility
Residential Customer Bill Impact**

Average No. of bed units (bu) per customer ¹	6.95 bu per cus.
Average consumption per customer ²	83.72 cu. M. per cus.

Line No.

Residential Customer Bill Impact (with RRTF Contributions)									
Details	BU Rate	Cons. Rate	Rate Rider	2019 Annual Bill ³				2019 Monthly Bill ³	
	\$/bu/mth	\$/cu. M.	\$/cu. M.	Fixed	Variable	Rate Rider	Total	Total	
1 Residential - Existing Rates	\$ 2.85	\$ 1.77	\$ -	\$ 237.86	\$ 148.18	\$ -	\$ 386.04	\$ 32.17	
2 Required Rates (No Rate Rider)	\$ 5.22	\$ 3.24	\$ -	\$ 435.29	\$ 271.62	\$ -	\$ 706.91	\$ 58.91	
3 Year-over-Year Change	83%	83%		83%	83%		83%	83%	
4 Required Rates (and 1 yr Rate Rider)	\$ 5.22	\$ 3.24	\$ 4.92	\$ 435.29	\$ 271.62	\$ 411.84	\$ 1,118.75	\$ 93.23	
5 Year-over-Year Change	83%	83%		83%	83%		190%	190%	
6 Required Rates (and 2 yrs Rate Rider)	\$ 5.22	\$ 3.24	\$ 2.46	\$ 435.29	\$ 271.62	\$ 205.92	\$ 912.83	\$ 76.07	
7 Year-over-Year Change	83%	83%		83%	83%		136%	136%	
8 Required Rates (and 3 yrs Rate Rider)	\$ 5.22	\$ 3.24	\$ 1.64	\$ 435.29	\$ 271.62	\$ 137.28	\$ 844.19	\$ 70.35	
9 Year-over-Year Change	83%	83%		83%	83%		119%	119%	

Residential Customer Bill Impact (No RRTF)									
Details	BU Rate	Cons. Rate	Rate Rider	2019 Annual Bill ³				2019 Monthly Bill ³	
	\$/bu/mth	\$/cu. M.	\$/cu. M.	Fixed	Variable	Rate Rider	Total	Total	
15 Residential - Existing Rates	\$ 2.85	\$ 1.77	\$ -	\$ 237.86	\$ 148.18	\$ -	\$ 386.04	\$ 32.17	
16 Required Rates (No Rate Rider)	\$ 4.34	\$ 2.69	\$ -	\$ 362.58	\$ 225.39	\$ -	\$ 587.97	\$ 49.00	
17 Year-over-Year Change	52%	52%		52%	52%		52%	52%	
18 Required Rates (and 1 yr Rate Rider)	\$ 4.34	\$ 2.69	\$ 4.92	\$ 362.58	\$ 225.39	\$ 411.84	\$ 999.81	\$ 83.32	
19 Year-over-Year Change	52%	52%		52%	52%		159%	159%	
20 Required Rates (and 2 yrs Rate Rider)	\$ 4.34	\$ 2.69	\$ 2.46	\$ 362.58	\$ 225.39	\$ 205.92	\$ 793.89	\$ 66.16	
21 Year-over-Year Change	52%	52%		52%	52%		106%	106%	
22 Required Rates (and 3 yrs Rate Rider)	\$ 4.34	\$ 2.69	\$ 1.64	\$ 362.58	\$ 225.39	\$ 137.28	\$ 725.25	\$ 60.44	
23 Year-over-Year Change	52%	52%		52%	52%		88%	88%	

Notes

1) Default residential single family dwelling is 10 bed units as outlined in the tariff; however the average bed units per customer ranged from 5.12 bu in 2010 to 6.95 bu in 2017. The 2017 average number of bed units per customer was used to determine the impact of the proposed rates.

2) Average usage for residential customers based on the total metered usage and the average customer count for that 2017.

3) Excludes any applicable taxes.

**Corix Multi-Utility Services Inc.
Panorama Water Utility
Commercial Customer Bill Impact**

Schedule 9

Average No. of bed units (bu) per customer ¹	65.89 bu per cus.
Average consumption per customer ²	2113.95 cu. M. per cus.

Line No.

Commercial Customer Bill Impact (with RRTF Contributions)									
Details	BU Rate	Cons. Rate	Rate Rider	2019 Annual Bill ³				2019 Monthly Bill ³	
	\$/bu/mth	\$/cu. M.	\$/cu. M.	Fixed	Variable	Rate Rider	Total	Total	
1 Commercial - Existing Rates	\$ 2.85	\$ 1.77	\$ -	\$ 2,253.50	\$ 3,741.68	\$ -	\$ 5,995.19	\$ 499.60	
2 Required Rates (No Rate Rider)	\$ 5.56	\$ 3.21	\$ -	\$ 4,396.27	\$ 6,788.68	\$ -	\$ 11,184.95	\$ 932.08	
3 Year-over-Year Change	95%	81%		95%	81%		87%	87%	
4 Required Rates (and 1 yr Rate Rider)	\$ 5.56	\$ 3.21	\$ 4.92	\$ 4,396.27	\$ 6,788.68	\$ 10,399.43	\$ 21,584.38	\$ 1,798.70	
5 Year-over-Year Change	95%	81%		95%	81%		260%	260%	
6 Required Rates (and 2 yrs Rate Rider)	\$ 5.56	\$ 3.21	\$ 2.46	\$ 4,396.27	\$ 6,788.68	\$ 5,199.71	\$ 16,384.67	\$ 1,365.39	
7 Year-over-Year Change	95%	81%		95%	81%		173%	173%	
8 Required Rates (and 3 yrs Rate Rider)	\$ 5.56	\$ 3.21	\$ 1.64	\$ 4,396.27	\$ 6,788.68	\$ 3,466.48	\$ 14,651.43	\$ 1,220.95	
9 Year-over-Year Change	95%	81%		95%	81%		144%	144%	

Commercial Customer Bill Impact (No RRTF)									
Details	BU Rate	Cons. Rate	Rate Rider	2019 Annual Bill ³				2019 Monthly Bill ³	
	\$/bu/mth	\$/cu. M.	\$/cu. M.	Fixed	Variable	Rate Rider	Total	Total	
13 Commercial - Existing Rates	\$ 2.85	\$ 1.77	\$ -	\$ 2,253.50	\$ 3,741.68	\$ -	\$ 5,995.19	\$ 499.60	
14 Required Rates (No Rate Rider)	\$ 4.66	\$ 2.69	\$ -	\$ 3,684.81	\$ 5,690.05	\$ -	\$ 9,374.86	\$ 781.24	
15 Year-over-Year Change	64%	52%		64%	52%		56%	56%	
16 Required Rates (and 1 yr Rate Rider)	\$ 4.66	\$ 2.69	\$ 4.92	\$ 3,684.81	\$ 5,690.05	\$ 10,399.43	\$ 19,774.28	\$ 1,647.86	
17 Year-over-Year Change	64%	52%		64%	52%		230%	230%	
18 Required Rates (and 2 yrs Rate Rider)	\$ 4.66	\$ 2.69	\$ 2.46	\$ 3,684.81	\$ 5,690.05	\$ 5,199.71	\$ 14,574.57	\$ 1,214.55	
19 Year-over-Year Change	64%	52%		64%	52%		143%	143%	
20 Required Rates (and 3 yrs Rate Rider)	\$ 4.66	\$ 2.69	\$ 1.64	\$ 3,684.81	\$ 5,690.05	\$ 3,466.48	\$ 12,841.33	\$ 1,070.11	
21 Year-over-Year Change	64%	52%		64%	52%		114%	114%	

Notes

1) Average bed units per customer ranged from 65.53 bu in 2010 up to a peak of 72.40 in 2016 before settling at 65.89 bu in 2017. The 2017 average number of bed units per customer was used to determine the impact of the proposed rates.

2) Average usage for commercial customers based on the total metered usage and the average customer count for that 2017.

3) Excludes any applicable taxes.

Corix Multi-Utility Services Inc.
Panorama Water Utility
Corporate Services Overhead Breakdown

Schedule 10

Line No.	Corporate Services Overhead	Projected 2018	Forecast 2019
1	Wages and Benefits	\$ 130,942	\$ 133,560
2	Administration/Office	\$ 24,500	\$ 24,990
3	IT and Other Expenses	\$ 18,054	\$ 18,415
4	Consulting	\$ 12,682	\$ 12,935
5	Vehicle/Travel/Training	\$ 5,679	\$ 5,793
6			
7	Total Corporate Services Overhead	\$ 191,856	\$ 195,693

Appendix B
Updated Tariff Pages (blacklined)

WATER UTILITY ACT
WATER TARIFF NO. 3
TERMS AND CONDITIONS
for
WATER SERVICE
at
Panorama Village
by

Corix Multi-Utility Services Inc.
Panorama Water

Box 36, Panorama, British Columbia V0A 1T0

Contact Person:

Andrew Craddock, Operations Manager

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This Tariff is available for public inspection at:

Company Office

2120 Toby Creek Road, Panorama, BC

Accepted for Filing by the
Comptroller of Water Rights

Effective:

Secretary to the Comptroller

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Definitions

In this tariff the following definitions shall apply:

- (a) "Authorized Premises" means premises which are entitled to, and authorized for, service in accordance with the Certificate of Public Convenience and Necessity of the Utility;
- (b) "Bed Unit" is a unit of measurement used to determine the relative number of occupants and is based on the floor area typically required to provide overnight accommodation for one person. The following Bed Units are assigned:
- i. residential single family dwelling = 10 Bed Units (beginning January 2011), unless notification received by Utility stating indicating smaller residence qualifying for 6 Bed Units
 - ii. residential condominium or townhouse:
 - (i) up to 55 square meters = 2 Bed Units
 - (ii) between 56 and 100 square meters = 3 Bed Units
 - (iii) in excess of 100 square meters = 4 Bed Units
 - iii. commercial customers according to size of water meter:
 - (i) 5/8" meter = 10 bed units
 - (ii) 1" meter = 25 bed units
 - (iii) 1 1/2" meter = 50 bed units
 - (iv) 2" or larger meter = 80 bed units
- (c) "Comptroller" means the Comptroller of Water Rights under the *Water Act* and includes a deputy comptroller or a person appointed by the minister as acting comptroller;
- (d) "Customer" means any person who is the owner or lessee of an authorized premises;
- (e) "Domestic Service" means in-house use plus lawn & garden sprinkling to a maximum area of 1/10 of an acre;
- (f) "Premises" means land and buildings thereon;
- (g) "Rate" includes:

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- i. a general, individual or joint rate, fee, charge, rental or other compensation of the Utility
 - ii. a schedule or tariff respecting a rate;
- (h) "Service" shall include:
- i. the supply of water provided by the Utility to the customer,
 - ii. the plant, equipment, apparatus, appliances, property and facilities employed by or in connection with the utility in providing the supply of water to the property line of the premise.
- (i) "Unit" means a building of accommodation occupied separately or to be occupied separately by an owner or lessee and, which either separately or jointly with other units, receives service from a connection to the Utility's waterworks and, without restricting the generality of the foregoing, includes the separate units of accommodation in all dwellings.
- (j) "Utility" means Corix Multi-Utility Services Inc. Panorama Water

Terms and Conditions

1. Application for Service

For authorized premises, charges for service are intended to recover the Utility's costs. The following charges are applicable depending upon the circumstances:

- (a) At the time an application is made for service to premises which had not previously been connected for service, the applicable charge shown in Schedule "A(a)" for residential service or "A(b)" for commercial service of this tariff shall be paid by the applicant.
- (b) A turn-on fee of \$50.00 shall be applicable when:
 - (i) a turn-on of a valve at an existing curb-stop is made at a date after the service connection was installed;
 - (ii) a customer becomes re-connected after service has been shut-off at the request of the customer, for non-payment of rates, or for violation of these terms and conditions.
- (c) There is no charge for service shut-off.

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(d) At the time an application for service is made by a new customer, an administration charge of \$25.00 shall apply. This charge is not only applicable for a new connection, but also when a new customer, either owner or lessee of the premises, commences receiving service to an existing authorized premises.

2. Billing and Payment

All bills are issued monthly and are due and payable within fifteen days of the date of issue. For metered rates, excess consumption is billed in arrears. If the amount due on any bill has not been paid in full within (30) thirty days from the date of issue a further bill will be rendered to include the overdue amount plus a late payment charge of 1.5% per month.

If a cheque is returned by the customer's financial institution an administration fee of \$25.00 will be charged.

3. Service Shut-Off due to Non-Payment

When an account becomes one month overdue service may be shut off upon 15 days written notice. A notice mailed to the last known postal address of the customer shall be deemed good and sufficient notice. A collection charge of \$30.00 shall be paid each time a Utility representative attends a customer's premises to disconnect service, following the issuance of a shut-off notice but, on attending, the customer pays the representative the full amount due.

Service will not be turned on until all outstanding charges against the service, including the collection charge have been paid.

4. Discontinuance of Service

(a) Customers must give at least two working days' notice in writing at the office of the Utility when requesting discontinuance of service and shall be liable for payment for all service until such service has been discontinued.

(b) Any customer who desires to discontinue the use of water for any of the purposes stated in his application for service shall give notice of his intention, in writing, at the office of the Utility, and shall further show that any fittings used for the supply of water for such purposes have been disconnected.

(c) The Utility may discontinue service to any customer who contravenes the terms and conditions contained in this tariff. In the event of further contravention of the tariff, the Utility may detach the service connection from the customer's premises and, upon re-application for service the customer shall be liable to pay the Utility's

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cost of performing the said detachment and re-connection in addition to other applicable rates and charges.

5. Access to Premises

The Utility shall have the right of access to the customer's premises at all reasonable times for the purposes of making connections, reading meters, inspecting pipes and appurtenances, checking on the use or waste of water or determining compliance with these terms and conditions.

6. Interruption of Service

The Utility intends to maintain at all times an adequate and continuous supply of water to the Customer at suitable pressures but accepts no liability for interruptions due to circumstances beyond its control. However, for the interruptions in excess of 48 hours, a proportionate rebate will be allowed to a Customer served on flat rates. The Utility accepts no liability for any claims, losses, costs, damages or expenses which may be due to an interruption of Service, unless the interruption of Service is due to the negligent or willful misconduct of the Utility or its employees. In cases of negligent or willful misconduct on the part of the Utility or its employees, liability will be limited to direct physical damage and shall not include inconvenience, mental anguish, loss of profits, loss of earnings, or any other financial loss arising out of or in any way connected to the interruption of Service.

7. Restriction of Use of Water

The Utility may restrict or prohibit the use of water for gardening, sprinkling, air conditioning, the filling of swimming pools, or other purposes when, in its opinion, such action is necessary to conserve the water supply or to maintain water pressure. A customer who contravenes water use restrictions may receive one warning notice per calendar year before a fine for contravention applies. A notice delivered to the customer's premises shall be deemed good and sufficient notice of a contravention. For each subsequent contravention during the calendar year, a \$50.00 fine is applicable.

8. Limits on Water Use and Water Meters

No customer shall sell or dispose of any water or permit same to be carried away, or use water or allow it to be used in premises, or for purposes other than those stated in the customer's application for service.

A condition of receiving water service is the requirement of the installation of a water meter including remote readout equipment in the service line at a location specified by the Utility and the cost of the installation will be the customer's responsibility. Upon inspection and acceptance of the installation the water meter and its associated

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remote readout equipment shall become the property of the utility. The utility will then be responsible for the ordinary maintenance, repair and replacement of the meter equipment. The utility also reserves the right to supply and install the water meter and associate remote readout equipment, in which case the customer shall pay the associated cost to the utility.

9. Multiple Dwellings

In the case of apartment houses, duplexes or houses containing one or more suites, each such accommodation, whether or not self-contained, shall not be considered as a separate customer unless it is so specified in a schedule of this Tariff.

10. Connections, Alterations and Tampering with utility Equipment

No person, who is not an agent or employee of the Utility, shall make any connections with or alterations to or tamper with any of the Utility's waterworks, including any water meter and associated readout equipment belonging to the Utility, nor turn on or off any valve or curb stop of the Utility, without prior authorization by the Utility in writing. Any person who is found tampering with the utility's works may upon receiving written notice have their water service terminated until such time as the works are restored to the utility's satisfaction.

11. Minimum Size of Services

The minimum size of pipe used to serve any one premises shall be 3/4" (19mm) nominal diameter. The type and diameter of pipe used on the customer's premises should be selected with due consideration of pressure losses from friction.

12. Minimum Earth Cover Over Services

All services on the customer's premises shall be buried below the maximum depth of frost penetration but in any event at a minimum depth of 7 (seven) feet below the surface of the ground.

13. Ownership of Service

All water service pipes and fittings carrying water from the main to the customer's property line shall be the property of the Utility.

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14. Stop Cock

The customer shall provide a shut-off valve (stop cock) inside each of the customer's buildings in which water is used, for the use of the customer in case of leaky or defective pipes or fixtures, or in case the premises is vacated.

15. Customer's Service Pipes

Service connection materials installed on the customer's premises shall be rated by the manufacturer to sustain a minimum working pressure of 160 psi (1100 kilopascals). No service pipe or fitting shall be covered until they have been inspected and approved by the Utility.

16. Dangerous Cross-Connections

The customer shall not permit the plumbing on their premises to be connected to any source of water supply other than the Utility's, or to any potential source of contamination, without first obtaining the Utility's permission in writing. Any back-flow prevention devices deemed necessary by the Utility to prevent the entry of contaminants shall be installed at the customer's expense.

17. Condition of Customer's Pipes and Fixtures

All customers at their own risk and expense shall keep their pipes, stop cocks and other fixtures in good working order and shall protect them from frost and other damage. The Utility shall, within a reasonable time notify the customer of any leaky pipes and fixtures that are evident on the premises. If the necessary repairs are not made within two (2) working days after such notice has been given, or when the condition of the pipes or fixtures is such as to cause damage to property or material waste of water or damage to property, then without further notice the Utility may shut off the water supply. The water shall not be turned on again until such repairs have been made to the satisfaction of the Utility, and the charges paid as provided by clauses 1 and 4(c) of this tariff. No person whose water supply is shut off pursuant to this section shall have any claim against the Utility for discontinuance of supply.

18. Notice of Service Shut-off

The Utility shall have the right at all times to shut off the water supply temporarily to any premises in order to make repairs, replacements, alterations and extensions to the Utility's waterworks as shall, in the opinion of the Utility, be deemed necessary. Whenever possible the Utility will give reasonable advance notice of shut-off, and, in all cases where the Utility expects service to be interrupted for 24 hours or more, the Utility shall give advance notice to its customers.

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19. Application for Extension of Service

For lots not authorized for service, all applications for extension of water service shall be made in writing, by the owner or lessee of the premises to which the application refers, or by the owner's duly authorized agent. All applications for service shall state:

(a) the purpose(s) for which the service is to be used (i.e. domestic, commercial, irrigation, etc.);

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(b) the legal description of the property;

(c) the number and location of the premises to be served.

Charges for extension of service are intended to recover the Utility's costs. For each application, an initial deposit of \$200 is required to be paid at the time of application. Additional costs incurred by the Utility for legal, engineering and other fees, including Utility staff time, will be payable by the applicant and may require further deposits prior to undertaking certain aspects of the application process.

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Each application for extension of service requires an amendment to the Utility's Certificate of Public Convenience & Necessity (CPCN) to include the lot(s) within its authorized service area. In response to each application, the Utility will detail the terms and conditions of service including all rates and charges applicable. Prior to the issuance of an amended CPCN, confirmation is required that either a deposit into the Utility's Deferred Capacity Trust Fund under Schedule B of this tariff has been made or that additional works have been constructed and contributed to the Utility by the applicant as required by the Comptroller of Water Rights.

Once the amended CPCN is issued, and while the lot(s) are not receiving service, availability of service charges under Schedule G of this tariff will be applicable.

Additional applications shall be made for all extensions of service to additional premises and for additional purposes.

20. Water Main Extensions

General Provisions

20.1 Any waterworks installed pursuant to an application for extension of service shall be the sole property of the Utility

20.2 The size, type, quality of materials, and their location will be specified by the Utility and the actual construction will be done by the Utility or by a construction agency acceptable to it.

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- 20.3 In arriving at the length of the main extension necessary to render service to any point, the distance from such point to the nearest distribution main shall be considered along lines of proper construction and common practice in the location of public waterworks, due consideration being given to the general layout of the Utility's system. The length of the extension shall be measured along the lines of proper construction from the nearest distribution main to the middle of the furthest property to be served.
- 20.4 The Utility will not be required to make extensions where road grades have not been brought to those established by public authority.
- 20.5 Where an extension must comply with a law, statute, bylaw, ordinance, regulation, specification or order of a public authority, the estimated cost of the extension shall be based upon the waterworks required to comply therewith.

Method of Allocating Advances and Refunds

- 20.6 Advances by original applicants:
When more than one applicant is involved and an advance is required in payment for a main extension the amount of the advance shall be divided equally or as otherwise agreed among the applicants are made known to the Utility.
- 20.7 Advances by subsequent customers:
An extension charge equal to a pro-rata share of the original cost of the main extension shall be collected by the Utility from each additional customer who connects to the original main extension within five years. The extension charge collected above shall be refunded equally or as otherwise agreed to the customers who already have advances deposited with the Utility as a result of connection to the extension, so that in the result all subscribers will have paid their pro-rata share or as otherwise agreed by them and made known to the Utility.
- 20.8 Advances which may be required from applicants in payment for extensions will be held by the Utility without interest. Refunds will be made in accordance with these rules and no *person* will have refunded to them an amount in excess of the amount of their advance. Refunds will be paid to the current registered owners of the properties on account of which the deposits were received. Any amount not used by the Utility for construction of the extension and not refunded at the end of five years from the date the advance was received by the Utility from the original applicant or applicants will be retained by the Utility and transferred to the "Deferred Capacity Trust Fund" account. Thereafter additional customers will be connected without being required to pay the extension charge.

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21. Winter Construction

The Utility reserves the right to refuse to make extensions and install service pipe to a customer's property line under frost conditions in the winter months that would make the undertaking impractical or in the Utility's opinion, excessively costly.

22. Amendments to Tariff

The rates and charges recorded in this tariff are the only lawful, enforceable and collectable rates and charges of the Utility, and shall not be amended without the consent of the Comptroller. The Comptroller, on his own motion, or on complaint of the Utility or other interested persons that the existing rates in effect and collected or any rates charged or attempted to be charged for service by the Utility are unjust, unreasonable, insufficient, unduly discriminatory or in contravention of the Water Utility Act, regulations or law, may, after investigation, determine the just, reasonable and sufficient rates to be observed and in force, and shall, by order, fix the rates.

The Utility may submit to the Comptroller, by letter of application together with full supporting documentation, proposed amendments to rates and charges, and other terms and conditions of service. After initial review of the application, the Comptroller may require the Utility to give an acceptable form of notice of the application to its customers and other interested persons. The notice will state a specific time period within which any interested persons may submit objections to the application to the Comptroller. After investigation of the application and any objections thereto, the Comptroller will decide the matter and notify all interested persons of his decision.

23. Liability

The Utility shall not be liable for any claims, losses, costs, damages or expenses incurred by the Customer or any other person arising out of the performance by the Utility of the Service, including without limitation any failure to perform the Service except to the extent that such claims, losses, costs, damages or expenses are caused by the negligent or willful misconduct of the Utility or its employees. In cases of negligent or willful misconduct on the part of the Utility or its employees, liability will be limited to direct physical damage and shall not include inconvenience, mental anguish, loss of profits, loss of earnings, or any other financial loss arising out of or in any way connected to the failure by the Utility to perform the Service.

24. Responsibility of Customer

The Customer shall be responsible and shall pay for any damage to property owned by the Utility and located on the Customer Premises when such damage is caused by the Customer or anyone permitted by the Customer to be on the Customer Premises.

25. Disputes

In case of disagreement or dispute regarding the application of any provision of these terms and conditions, or in circumstances where the application of the terms and conditions appears impracticable or unjust to either party, the Utility, or the applicant or applicants, may refer the matter to the Comptroller for adjudication.

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Schedule "A" - Water Service Connection

The charges shown below apply to connections to a main (see page 2, section 1(a)).

The connection charge recovers the cost incurred by the Utility, and not otherwise recovered, of a meter with accompanying fittings, pressure regulating device and backflow prevention device. Cost herein includes any administrative overhead incurred.

- (a) Residential Connection Charge \$225.00
- (b) Commercial Connection Charge at cost

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Schedule “B” - Contribution in Aid of Future Construction

Where as a result of premises becoming qualified as authorized premises a greater number of units require or may require service from the utility, thus utilizing waterworks capacity presently or in the future, then, upon application for an extension of service, in addition to the connection charge and any main extension costs, the charge shown below shall be paid.

For each domestic service premises qualifying as authorized premises	\$1,300 per bed unit
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Note: A bed unit is defined in the Definitions section.

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Schedule "C" - Residential Rates

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Applicability: To residential customers receiving domestic service, including single family dwellings, condominiums, duplexes and single family townhouses.

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As of ~~January 1, 2019~~:

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1. **A Fixed Charge** \$4.34 per bed unit per month

Commented [ES1]: Replaced: \$2.85 per bed unit per month

2. **A Metered Rate** \$2.69 per cubic meter

Commented [ES2]: Replace: \$ 1.77 per cubic meter

3. **Rider 1** \$2.46 per cubic meter

Commented [ES3]: Added Rider 1 charge of \$2.46 per cubic meter

Notes

1) Rates are billed monthly (Page 2, Section 2).

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2) **Rider 1: Consumption Deferral Account – Applicable for the calendar year ending December 31, 2019. For the calendar year from January 1, 2020 to December 31, 2020 Rider 1 will be \$2.42 per cubic meter.**

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Schedule “D” - Commercial Rates

Applicability: To all commercial customers receiving service.

As of January 1, 2019:

- 1. A Fixed Charge **\$4.66** per bed unit per month
- 2. A Metered Rate **\$2.69** per cubic meter
- 3. Rider 1 **\$2.46** per cubic meter

Notes

- 1) Rates are billed monthly (Page 2, Section 2).
- 2) **Rider 1: Consumption Deferral Account – Applicable for the calendar year ending December 31, 2019. For the calendar year from January 1, 2020 to December 31, 2020 Rider 1 will be \$2.42 per cubic meter.**

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Metered Rate: . ¶
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As of March 1, 2010: . \$ 1.77 per cubic meter and
\$2.85 per bed unit per month ¶
¶
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<#>2. A portion of revenues collected will be
deposited into a Replacement Reserve Trust Fund
and may only be released with the written
authorization of the Comptroller of Water Rights.¶

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**Schedule "E" - Fire Hydrant & Standpipe Rates
Per Fire Protection Agreement**

Applicability: Within that portion of the utility's authorized service area in the RDEK fire protection district or other recognized local fire protection authority.

Rates: _____ Hydrants included in rates

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_____ Standpipes/Blow-Offs included in rates

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**Schedule "F" - Availability of Service Charge as per
Rent Charge Agreement(s)**

Applicability: To the owners all of lots that have a Rent Charge Agreement registered on title.

As of March 1, 2010

1. A fixed **Rent Charge** \$ 45 per bed unit per annum

Deleted: Note: A portion of revenues collected will be deposited into a Replacement Reserve Trust Fund and may only be released with the written authorization of the Comptroller of Water Rights.¶

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Appendix C

Updated Tariff Pages (clean)

WATER UTILITY ACT

WATER TARIFF NO. 3

TERMS AND CONDITIONS

for

WATER SERVICE

at

Panorama Village

by

**Corix Multi-Utility Services Inc.
Panorama Water**

Box 36, Panorama, British Columbia V0A 1T0

Contact Person:

Andrew Craddock, Operations Manager

This Tariff is available for public inspection at:

Company Office

2120 Toby Creek Road, Panorama, BC

Accepted for Filing by the
Comptroller of Water Rights

Effective:

Secretary to the Comptroller

Definitions

In this tariff the following definitions shall apply:

- (a) "Authorized Premises" means premises which are entitled to, and authorized for, service in accordance with the Certificate of Public Convenience and Necessity of the Utility;
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 - i. residential single family dwelling = 10 Bed Units (beginning January 2011) unless notification received by Utility stating indicting smaller residence qualifying for 6 Bed Units
 - ii. residential condominium or townhouse:
 - (i) up to 55 square meters = 2 Bed Units
 - (ii) between 56 and 100 square meters = 3 Bed Units
 - (iii) in excess of 100 square meters = 4 Bed Units
 - iii. commercial customers according to size of water meter:
 - (i) 5/8" meter = 10 bed units
 - (ii) 1" meter = 25 bed units
 - (iii) 1 1/2" meter = 50 bed units
 - (iv) 2" or larger meter = 80 bed units
- (c) "Comptroller" means the Comptroller of Water Rights under the *Water Act* and includes a deputy comptroller or a person appointed by the minister as acting comptroller;
- (d) "Customer" means any person who is the owner or lessee of an authorized premises;
- (e) "Domestic Service" means in-house use plus lawn & garden sprinkling to a maximum area of 1/10 of an acre;
- (f) "Premises" means land and buildings thereon;
- (g) "Rate" includes:

- i. a general, individual or joint rate, fee, charge, rental or other compensation of the Utility
- ii. a schedule or tariff respecting a rate;

(h) "Service" shall include:

- i. the supply of water provided by the Utility to the customer,
- ii. the plant, equipment, apparatus, appliances, property and facilities employed by or in connection with the utility in providing the supply of water to the property line of the premise.

(i) "Unit" means a building of accommodation occupied separately or to be occupied separately by an owner or lessee and, which either separately or jointly with other units, receives service from a connection to the Utility's waterworks and, without restricting the generality of the foregoing, includes the separate units of accommodation in all dwellings.

(j) "Utility" means Corix Multi-Utility Services Inc. Panorama Water

Terms and Conditions

1. Application for Service

For authorized premises, charges for service are intended to recover the Utility's costs. The following charges are applicable depending upon the circumstances:

- (a) At the time an application is made for service to premises which had not previously been connected for service, the applicable charge shown in Schedule "A(a)" for residential service or "A(b)" for commercial service of this tariff shall be paid by the applicant.
- (b) A turn-on fee of \$50.00 shall be applicable when:
 - (i) a turn-on of a valve at an existing curb-stop is made at a date after the service connection was installed;
 - (ii) a customer becomes re-connected after service has been shut-off at the request of the customer, for non-payment of rates, or for violation of these terms and conditions.
- (c) There is no charge for service shut-off.

(d) At the time an application for service is made by a new customer, an administration charge of \$25.00 shall apply. This charge is not only applicable for a new connection, but also when a new customer, either owner or lessee of the premises, commences receiving service to an existing authorized premises.

2. Billing and Payment

All bills are issued monthly and are due and payable within fifteen days of the date of issue. For metered rates, excess consumption is billed in arrears. If the amount due on any bill has not been paid in full within (30) thirty days from the date of issue a further bill will be rendered to include the overdue amount plus a late payment charge of 1.5% per month.

If a cheque is returned by the customer's financial institution an administration fee of \$25.00 will be charged.

3. Service Shut-Off due to Non-Payment

When an account becomes one month overdue service may be shut off upon 15 days written notice. A notice mailed to the last known postal address of the customer shall be deemed good and sufficient notice. A collection charge of \$30.00 shall be paid each time a Utility representative attends a customer's premises to disconnect service, following the issuance of a shut-off notice but, on attending, the customer pays the representative the full amount due.

Service will not be turned on until all outstanding charges against the service, including the collection charge have been paid.

4. Discontinuance of Service

- (a) Customers must give at least two working days' notice in writing at the office of the Utility when requesting discontinuance of service and shall be liable for payment for all service until such service has been discontinued.
- (b) Any customer who desires to discontinue the use of water for any of the purposes stated in his application for service shall give notice of his intention, in writing, at the office of the Utility, and shall further show that any fittings used for the supply of water for such purposes have been disconnected.
- (c) The Utility may discontinue service to any customer who contravenes the terms and conditions contained in this tariff. In the event of further contravention of the tariff, the Utility may detach the service connection from the customer's premises and, upon re-application for service the customer shall be liable to pay the Utility's

cost of performing the said detachment and re-connection in addition to other applicable rates and charges.

5. Access to Premises

The Utility shall have the right of access to the customer's premises at all reasonable times for the purposes of making connections, reading meters, inspecting pipes and appurtenances, checking on the use or waste of water or determining compliance with these terms and conditions.

6. Interruption of Service

The Utility intends to maintain at all times an adequate and continuous supply of water to the Customer at suitable pressures but accepts no liability for interruptions due to circumstances beyond its control. However, for the interruptions in excess of 48 hours, a proportionate rebate will be allowed to a Customer served on flat rates. The Utility accepts no liability for any claims, losses, costs, damages or expenses which may be due to an interruption of Service, unless the interruption of Service is due to the negligent or willful misconduct of the Utility or its employees. In cases of negligent or willful misconduct on the part of the Utility or its employees, liability will be limited to direct physical damage and shall not include inconvenience, mental anguish, loss of profits, loss of earnings, or any other financial loss arising out of or in any way connected to the interruption of Service.

7. Restriction of Use of Water

The Utility may restrict or prohibit the use of water for gardening, sprinkling, air conditioning, the filling of swimming pools, or other purposes when, in its opinion, such action is necessary to conserve the water supply or to maintain water pressure. A customer who contravenes water use restrictions may receive one warning notice per calendar year before a fine for contravention applies. A notice delivered to the customer's premises shall be deemed good and sufficient notice of a contravention. For each subsequent contravention during the calendar year, a \$50.00 fine is applicable.

8. Limits on Water Use and Water Meters

No customer shall sell or dispose of any water or permit same to be carried away, or use water or allow it to be used in premises, or for purposes other than those stated in the customer's application for service.

A condition of receiving water service is the requirement of the installation of a water meter including remote readout equipment in the service line at a location specified by the Utility and the cost of the installation will be the customer's responsibility. Upon inspection and acceptance of the installation the water meter and its associated

remote readout equipment shall become the property of the utility. The utility will then be responsible for the ordinary maintenance, repair and replacement of the meter equipment. The utility also reserves the right to supply and install the water meter and associate remote readout equipment, in which case the customer shall pay the associated cost to the utility.

9. Multiple Dwellings

In the case of apartment houses, duplexes or houses containing one or more suites, each such accommodation, whether or not self-contained, shall not be considered as a separate customer unless it is so specified in a schedule of this Tariff.

10. Connections, Alterations and Tampering with utility Equipment

No person, who is not an agent or employee of the Utility, shall make any connections with or alterations to or tamper with any of the Utility's waterworks, including any water meter and associated readout equipment belonging to the Utility, nor turn on or off any valve or curb stop of the Utility, without prior authorization by the Utility in writing. Any person who is found tampering with the utility's works may upon receiving written notice have their water service terminated until such time as the works are restored to the utility's satisfaction.

11. Minimum Size of Services

The minimum size of pipe used to serve any one premises shall be 3/4" (19mm) nominal diameter. The type and diameter of pipe used on the customer's premises should be selected with due consideration of pressure losses from friction.

12. Minimum Earth Cover Over Services

All services on the customer's premises shall be buried below the maximum depth of frost penetration but in any event at a minimum depth of 7 (seven) feet below the surface of the ground.

13. Ownership of Service

All water service pipes and fittings carrying water from the main to the customer's property line shall be the property of the Utility.

14. Stop Cock

The customer shall provide a shut-off valve (stop cock) inside each of the customer's buildings in which water is used, for the use of the customer in case of leaky or defective pipes or fixtures, or in case the premises is vacated.

15. Customer's Service Pipes

Service connection materials installed on the customer's premises shall be rated by the manufacturer to sustain a minimum working pressure of 160 psi (1100 kilopascals). No service pipe or fitting shall be covered until they have been inspected and approved by the Utility.

16. Dangerous Cross-Connections

The customer shall not permit the plumbing on their premises to be connected to any source of water supply other than the Utility's, or to any potential source of contamination, without first obtaining the Utility's permission in writing. Any back-flow prevention devices deemed necessary by the Utility to prevent the entry of contaminants shall be installed at the customer's expense.

17. Condition of Customer's Pipes and Fixtures

All customers at their own risk and expense shall keep their pipes, stop cocks and other fixtures in good working order and shall protect them from frost and other damage. The Utility shall, within a reasonable time notify the customer of any leaky pipes and fixtures that are evident on the premises. If the necessary repairs are not made within two (2) working days after such notice has been given, or when the condition of the pipes or fixtures is such as to cause damage to property or material waste of water or damage to property, then without further notice the Utility may shut off the water supply. The water shall not be turned on again until such repairs have been made to the satisfaction of the Utility, and the charges paid as provided by clauses 1 and 4(c) of this tariff. No person whose water supply is shut off pursuant to this section shall have any claim against the Utility for discontinuance of supply.

18. Notice of Service Shut-off

The Utility shall have the right at all times to shut off the water supply temporarily to any premises in order to make repairs, replacements, alterations and extensions to the Utility's waterworks as shall, in the opinion of the Utility, be deemed necessary. Whenever possible the Utility will give reasonable advance notice of shut-off, and, in all cases where the Utility expects service to be interrupted for 24 hours or more, the Utility shall give advance notice to its customers.

19. Application for Extension of Service

For lots not authorized for service, all applications for extension of water service shall be made in writing, by the owner or lessee of the premises to which the application refers, or by the owner's duly authorized agent. All applications for service shall state:

- (a) the purpose(s) for which the service is to be used (i.e. domestic, commercial, irrigation, etc.);
- (b) the legal description of the property;
- (c) the number and location of the premises to be served.

Charges for extension of service are intended to recover the Utility's costs. For each application, an initial deposit of \$200 is required to be paid at the time of application. Additional costs incurred by the Utility for legal, engineering and other fees, including Utility staff time, will be payable by the applicant and may require further deposits prior to undertaking certain aspects of the application process.

Each application for extension of service requires an amendment to the Utility's Certificate of Public Convenience & Necessity (CPCN) to include the lot(s) within its authorized service area. In response to each application, the Utility will detail the terms and conditions of service including all rates and charges applicable. Prior to the issuance of an amended CPCN, confirmation is required that either a deposit into the Utility's Deferred Capacity Trust Fund under Schedule B of this tariff has been made or that additional works have been constructed and contributed to the Utility by the applicant as required by the Comptroller of Water Rights.

Once the amended CPCN is issued, and while the lot(s) are not receiving service, availability of service charges under Schedule G of this tariff will be applicable.

Additional applications shall be made for all extensions of service to additional premises and for additional purposes.

20. Water Main Extensions

General Provisions

- 20.1 Any waterworks installed pursuant to an application for extension of service shall be the sole property of the Utility
- 20.2 The size, type, quality of materials, and their location will be specified by the Utility and the actual construction will be done by the Utility or by a construction agency acceptable to it.

- 20.3 In arriving at the length of the main extension necessary to render service to any point, the distance from such point to the nearest distribution main shall be considered along lines of proper construction and common practice in the location of public waterworks, due consideration being given to the general layout of the Utility's system. The length of the extension shall be measured along the lines of proper construction from the nearest distribution main to the middle of the furthest property to be served.
- 20.4 The Utility will not be required to make extensions where road grades have not been brought to those established by public authority.
- 20.5 Where an extension must comply with a law, statute, bylaw, ordinance, regulation, specification or order of a public authority, the estimated cost of the extension shall be based upon the waterworks required to comply therewith.

Method of Allocating Advances and Refunds

- 20.6 Advances by original applicants:
When more than one applicant is involved and an advance is required in payment for a main extension the amount of the advance shall be divided equally or as otherwise agreed among the applicants are made known to the Utility.
- 20.7 Advances by subsequent customers:
An extension charge equal to a pro-rata share of the original cost of the main extension shall be collected by the Utility from each additional customer who connects to the original main extension within five years. The extension charge collected above shall be refunded equally or as otherwise agreed to the customers who already have advances deposited with the Utility as a result of connection to the extension, so that in the result all subscribers will have paid their pro-rata share or as otherwise agreed by them and made known to the Utility.
- 20.8 Advances which may be required from applicants in payment for extensions will be held by the Utility without interest. Refunds will be made in accordance with these rules and no *person* will have refunded to them an amount in excess of the amount of their advance. Refunds will be paid to the current registered owners of the properties on account of which the deposits were received. Any amount not used by the Utility for construction of the extension and not refunded at the end of five years from the date the advance was received by the Utility from the original applicant or applicants will be retained by the Utility and transferred to the "Deferred Capacity Trust Fund" account. Thereafter additional customers will be connected without being required to pay the extension charge.

21. Winter Construction

The Utility reserves the right to refuse to make extensions and install service pipe to a customer's property line under frost conditions in the winter months that would make the undertaking impractical or in the Utility's opinion, excessively costly.

22 Amendments to Tariff

The rates and charges recorded in this tariff are the only lawful, enforceable and collectable rates and charges of the Utility, and shall not be amended without the consent of the Comptroller. The Comptroller, on his own motion, or on complaint of the Utility or other interested persons that the existing rates in effect and collected or any rates charged or attempted to be charged for service by the Utility are unjust, unreasonable, insufficient, unduly discriminatory or in contravention of the Water Utility Act, regulations or law, may, after investigation, determine the just, reasonable and sufficient rates to be observed and in force, and shall, by order, fix the rates.

The Utility may submit to the Comptroller, by letter of application together with full supporting documentation, proposed amendments to rates and charges, and other terms and conditions of service. After initial review of the application, the Comptroller may require the Utility to give an acceptable form of notice of the application to its customers and other interested persons. The notice will state a specific time period within which any interested persons may submit objections to the application to the Comptroller. After investigation of the application and any objections thereto, the Comptroller will decide the matter and notify all interested persons of his decision.

23 Liability

The Utility shall not be liable for any claims, losses, costs, damages or expenses incurred by the Customer or any other person arising out of the performance by the Utility of the Service, including without limitation any failure to perform the Service except to the extent that such claims, losses, costs, damages or expenses are caused by the negligent or willful misconduct of the Utility or its employees. In cases of negligent or willful misconduct on the part of the Utility or its employees, liability will be limited to direct physical damage and shall not include inconvenience, mental anguish, loss of profits, loss of earnings, or any other financial loss arising out of or in any way connected to the failure by the Utility to perform the Service.

24 Responsibility of Customer

The Customer shall be responsible and shall pay for any damage to property owned by the Utility and located on the Customer Premises when such damage is caused by the Customer or anyone permitted by the Customer to be on the Customer Premises.

25 Disputes

In case of disagreement or dispute regarding the application of any provision of these terms and conditions, or in circumstances where the application of the terms and conditions appears impracticable or unjust to either party, the Utility, or the applicant or applicants, may refer the matter to the Comptroller for adjudication.

Schedule "A" - Water Service Connection

The charges shown below apply to connections to a main (see page 2, section 1(a)).

The connection charge recovers the cost incurred by the Utility, and not otherwise recovered, of a meter with accompanying fittings, pressure regulating device and backflow prevention device. Cost herein includes any administrative overhead incurred.

(a)	Residential Connection Charge	\$225.00
(b)	Commercial Connection Charge	at cost

Schedule “B” - Contribution in Aid of Future Construction

Where as a result of premises becoming qualified as authorized premises a greater number of units require or may require service from the utility, thus utilizing waterworks capacity presently or in the future, then, upon application for an extension of service, in addition to the connection charge and any main extension costs, the charge shown below shall be paid.

For each domestic service premises qualifying as authorized premises	\$1,300 per bed unit
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Note: A bed unit is defined in the Definitions section.

Schedule “C” - Residential Rates

Applicability: To residential customers receiving domestic service, including single family dwellings, condominiums, duplexes and single family townhouses.

As of January 1, 2019:

- | | |
|--------------------------|--------------------------------------|
| 1. A Fixed Charge | \$4.34 per bed unit per month |
| 2. A Metered Rate | \$2.69 per cubic meter |
| 3. Rider 1 | \$2.46 per cubic meter |

Notes

- 1) Rates are billed monthly (Page 2, Section 2).
- 2) **Rider 1:** Consumption Deferral Account – Applicable for the calendar year ending December 31, 2019. For the calendar year from January 1, 2020 to December 31, 2020 Rider 1 will be \$2.42 per cubic meter.

Schedule "D" - Commercial Rates

Applicability: To all commercial customers receiving service.

As of January 1, 2019:

- | | |
|--------------------------|--------------------------------------|
| 1. A Fixed Charge | \$4.66 per bed unit per month |
| 2. A Metered Rate | \$2.69 per cubic meter |
| 3. Rider 1 | \$2.46 per cubic meter |

Notes

- 1) Rates are billed monthly (Page 2, Section 2).
- 2) **Rider 1**: Consumption Deferral Account – Applicable for the calendar year ending December 31, 2019. For the calendar year from January 1, 2020 to December 31, 2020 Rider 1 will be \$2.42 per cubic meter.

**Schedule “E” - Fire Hydrant & Standpipe Rates
Per Fire Protection Agreement**

Applicability: Within that portion of the utility’s authorized service area in the RDEK fire protection district or other recognized local fire protection authority.

Rates:

Hydrants	included in rates
Standpipes/Blow-Offs	included in rates

**Schedule "F" - Availability of Service Charge as per
Rent Charge Agreement(s)**

Applicability: To the owners all of lots that have a Rent Charge Agreement registered on title.

As of March 1, 2010

1. A fixed **Rent Charge** **\$ 45** per bed unit per annum