



**CITY OF EDMONTON**

**BYLAW 15816**

**EPCOR WATER SERVICES AND WASTEWATER  
TREATMENT BYLAW**

**(CONSOLIDATED ON JULY 4, 2012)**

**THE CITY OF EDMONTON  
BYLAW 15816**

**EPCOR WATER SERVICES AND WASTEWATER TREATMENT BYLAW**

**Whereas**, pursuant to section 3 of the *Municipal Government Act*, R.S.A. 2000, c. M-26, the purposes of a municipality are to provide services, facilities and other things that are necessary or desirable for all or a part of the municipality;

**And whereas**, pursuant to section 7(g) of the *Municipal Government Act*, Edmonton City Council may pass bylaws respecting public utilities;

Edmonton City Council enacts:

**PURPOSE**

- 1       The purpose of this Bylaw is to approve:
- (a)     Rates, fees and charges for Water Services, Wastewater Treatment Services and other services provided by EPCOR Water Services Inc. to Customers in the city of Edmonton and others, and a mechanism whereby such Rates, fees and charges will be adjusted on an annual basis, for the period of April 1, 2012 to March 31, 2017;
  - (b)     Terms and Conditions for Water Services, and a mechanism whereby Water Services Guidelines not inconsistent with the Terms and Conditions may be implemented by EPCOR Water Services Inc. and amended or replaced from time to time;
  - (c)     The Performance Based Regulation Plan for the period of April 1, 2012 to March 31, 2017;

**DEFINITIONS**

- 2       In this Bylaw, unless otherwise specified or the context otherwise requires:
- (a)     **“City”** means the municipal corporation of the City of Edmonton;
  - (b)     **“City Manager”** means the chief Administrative Officer of the City or his delegate;
  - (c)     **“Customer”** means any person more particularly described as a “Customer” in Schedule 2 or is otherwise responsible for paying EWSI;
  - (d)     **“EWSI”** means EPCOR Water Services Inc. or its successor;

- (e) **“Performance Based Regulation Plan”** means the Performance Based Regulation Plan for the period of April 1, 2012 to March 31, 2017, as more particularly described in Schedule 3 to this Bylaw;
- (f) **“Price Schedule”** means the Rates in respect of either Water Services or Wastewater Treatment Services more particularly described in Schedule 1 of this Bylaw, as approved by the City and in effect at the time;
- (g) **“Rate”** means the rates, fees and charges applicable to any utility service provided by EWSI within the City of Edmonton which the City has authority to approve;
- (h) **“Rate Sheets”** means the documents styled as Rate Sheets in Schedule 4, intended for use as templates for the format in which EWSI’s annual requests for Rates are to be filed with the City Manager;
- (i) **“Water Services”** includes but is not limited to the production, treatment and supply of potable water delivered through a service connection in accordance with the provisions of the Water Services Franchise Agreement to a Customer, any and all incidental services more particularly described in Schedule 2, and the use of physical plant, equipment, apparatus, appliances, property and facilities owned or employed by EWSI or used in connection with EWSI in providing the supply of potable water to the property of any Customer;
- (j) **“Water Services Franchise Agreement”** means a Franchise Amending Agreement between EWSI and the City in respect of Water Services, dated January 1, 2004, including all amendments or replacements thereto;
- (k) **“Wastewater Treatment Franchise Agreement”** means a Franchise Agreement in respect of Wastewater Treatment Services between EWSI and the City, dated March 31, 2009, including all amendments or replacements thereto;
- (l) **“Water Services Guidelines”** means those requirements, standards, specifications, procedures, protocols or guidelines adopted by EWSI pursuant to Schedule 2 or any other Schedule under this Bylaw; and
- (m) **“Wastewater Treatment Services”** means the treatment of wastewater and the storage, pumping and disposal of treated wastewater by any means and the right to charge and recover a fee for such services in accordance with the

provisions of the Wastewater Treatment Franchise Agreement.

|                                   |   |   |
|-----------------------------------|---|---|
| <b>RULES FOR INTERPRETATION</b>   | 3 | The marginal notes and headings in this Bylaw are for reference purposes only.  |
| <b>RATES AFTER MARCH 31, 2012</b> | 4 | For each 12 month period from April 1, 2012 to March 31, 2017, Rates for the provision of Water Services and Wastewater Treatment Services by EWSI will be established in accordance with Section 6.  |
| <b>TERMS AND CONDITIONS</b>       | 5 | <p>(a) All Water Services provided within the boundaries of the city of Edmonton shall be provided by EWSI in accordance with the Terms and Conditions of Water Service attached hereto in Schedule 2.</p> <p>(b) All Wastewater Treatment Services provided within the boundaries of the city of Edmonton shall be provided by EWSI except for:</p> <p>(i) Wastewater Treatment Services which are provided by a person on property of which that person is the owner or tenant for use solely by that person and solely on that property; or</p> <p>(ii) Wastewater Treatment Services for which EWSI has provided written consent.</p>   |
| <b>PRICE SCHEDULE ADJUSTMENTS</b> | 6 | <p>Any adjustments to a Price Schedule made under Section 4 shall be made as follows:</p> <p>(a) On or Before March 1<sup>st</sup> in each year commencing 2012, EWSI shall file for information with the City Clerk and the City Manager Rates Sheets effective for the upcoming 12 month period from April 1 to March 31, reflecting the performance-based water and wastewater Rates in accordance with this Bylaw.</p> <p>(b) The filing referred to in subsection (a) above must include sufficient information for the City Manager to determine if the performance-based water and wastewater treatment Rates for the upcoming year has been calculated in accordance with the provisions of Schedule 3 to this Bylaw.</p> |

- (c) If, after reviewing the filing referred to in subsection (a) above, the City Manager is satisfied that the performance-based water and wastewater treatment Rates included in the Rate Sheets have been calculated in accordance with this Bylaw, the City Manager shall issue a compliance letter on or before March 15<sup>th</sup> of each year confirming that the performance-based water and wastewater treatment Rates in the Rate Sheet for the upcoming year has been calculated in accordance with this Bylaw.
- (d) Once the compliance letter has been issued in accordance with the provisions of subsection (c), EWSI is authorized to provide Water Services and Wastewater Treatment Services pursuant to the Rate Sheets filed in accordance with the provisions of this section.
- (e) The City Clerk shall keep a record of all filings made in accordance with this Bylaw.

**EFFECTIVE DATE**      7      This Bylaw comes into effect April 1, 2012.

**REPEAL**                      8      Upon this Bylaw becoming effective, Bylaw No. 12585, as amended, is hereby repealed.

**SCHEDULES**                9      The following schedules are included in, and form part of this Bylaw:

Schedule 1 – Price Schedule

- Part I – Water Rates
- Part II – Water Rate Riders
- Part III – Service Charges
- Part IV – Wastewater Treatment Rates
- Part V – Late Payment Charges

Schedule 2 – Terms and Conditions of Water Service

Schedule 3 – Performance Based Water Rates and Wastewater Treatment Rates

Schedule 4 – Pro-forma Annual Water Rate and Wastewater Treatment Rate Filing

(NOTE:  
(Consolidation made under Section 69 of the Municipal Government Act, S.A. 1994, M-26.1 and Bylaw 12005, and printed under the City Clerk's authority.)

Changes to Bylaw No. 15816, passed by Council November 8, 2011, per -

Amendments:

Bylaw 16144, July 4, 2012

**Schedule 1**

**Price Schedule**

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**Part I – Water Rates**


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**Residential Water Service**

**Applicable** To all domestic service customers within the city of Edmonton.

A domestic service is defined as a service supplied to premises used primarily for domestic purposes, where no more than four separate dwelling units are metered by a single water meter and the service line to the premises is not greater than 50 millimeters in diameter.

If a business is conducted from premises that otherwise fall within the above definition of a domestic service, this Residential Water Service rate will apply; provided, however, that if the portion of the premises from which the business is conducted is separately metered, then a Commercial Water Service rate will apply to that portion of the premises.

**Effective Dates and Adjustments for Future Years**

Consumption Charges for the period April 1, 2012 to March 31, 2017 will be determined by applying the adjustment factors in Schedule 3 of this Bylaw to the rates set out below, with new rate approval and implementation occurring on an annual basis in accordance with the adjustment methodology prescribed in Section 6 of this Bylaw.

**Rates** **Fixed Monthly Service Charge**  
In accordance with the “Fixed Monthly Water Service Charges” provisions of this Schedule

**Consumption Charge \***

|  |                              |
|--|------------------------------|
| 0 m <sup>3</sup> – 10.0 m <sup>3</sup>     | \$ 1.6084 per m <sup>3</sup> |
| 10.1 m <sup>3</sup> to 35.0 m <sup>3</sup> | \$ 1.6084 per m <sup>3</sup> |
| Over 35.0 m <sup>3</sup>                   | \$ 1.6266 per m <sup>3</sup> |

\* Consumption Charge reflects a change from a two block consumption rate structure to a three block consumption rate structure. For reference purposes, the Consumption Charge based on the two block consumption rate structure was:

|                                      |                             |
|--------------------------------------|-----------------------------|
| 0 m <sup>3</sup> – 60 m <sup>3</sup> | \$1.6084 per m <sup>3</sup> |
| Over 60 m <sup>3</sup>               | \$1.6625 per m <sup>3</sup> |



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**Part I – Water Rates**


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**Multi-Residential Water Service**

**Applicable** To all multi-residential service customers within the city of Edmonton.

A multi-residential service is defined as a service supplied to premises used primarily for domestic purposes; where more than four separate dwelling units are metered by a single water meter.

If a business is conducted from premises that otherwise fall within the above definition of a multi-residential service, this Multi-Residential Water Service rate will apply; provided, however, that if the portion of the premises from which the business is conducted is separately metered, then a Commercial Water Service rate will apply to that portion of the premises

**Effective Dates and Adjustments for Future Years**

Consumption Charges for the period April 1, 2012 to March 31, 2017 will be determined by applying the adjustment factors in Schedule 3 of this Bylaw to the rates set out below, with new rate approval and implementation occurring on an annual basis in accordance with the adjustment methodology prescribed in Section 6 of this Bylaw.

**Rate** **Fixed Monthly Service Charge**

In accordance with the “Fixed Monthly Water Service Charges” provisions of this Schedule

**Consumption Charge**

|  |                             |
|--|-----------------------------|
| 0 m <sup>3</sup> – 100.0 m <sup>3</sup>      | \$1.4680 per m <sup>3</sup> |
| 100.1 m <sup>3</sup> – 1000.0 m <sup>3</sup> | \$1.2282 per m <sup>3</sup> |
| Over 1000.0 m <sup>3</sup>                   | \$1.0149 per m <sup>3</sup> |

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**Part I – Water Rates**


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**Commercial Water Service**

**Applicable** To all commercial, industrial and institutional customers within the city of Edmonton.

To all water customers not otherwise defined as Residential or Multi-Residential water service customers per Part I of this Schedule or as hydrant or truck fill service water customers per Part III of this Schedule.

**Effective Dates and Adjustments for Future Years**

Consumption Charges for the period April 1, 2012 to March 31, 2017 will be determined by applying the adjustment factors in Schedule 3 of this Bylaw to the rates set out below, with new rate approval and implementation occurring on an annual basis in accordance with the adjustment methodology prescribed in Section 6 of this Bylaw.

**Rate** **Fixed Monthly Service Charge**  
In accordance with the “Fixed Monthly Water Service Charges” provisions of this Schedule

**Consumption Charge**

|   |                             |
|---|-----------------------------|
| 0 m <sup>3</sup> – 25.0 m <sup>3</sup>        | \$1.1514 per m <sup>3</sup> |
| 25.1 m <sup>3</sup> – 100.0 m <sup>3</sup>    | \$1.1514 per m <sup>3</sup> |
| 100.1 m <sup>3</sup> – 1000.0 m <sup>3</sup>  | \$1.0620 per m <sup>3</sup> |
| 1000.1 m <sup>3</sup> – 5000.0 m <sup>3</sup> | \$0.8405 per m <sup>3</sup> |
| Over 5000 m <sup>3</sup>                      | \$0.6767 per m <sup>3</sup> |

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**Part I – Water Rates**


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**Fixed Monthly Water Service Charges**

**Applicable** To all metered water customers within the city of Edmonton

**Effective Dates and Adjustments for Future Years**

Fixed Monthly Water Service Charges for the period April 1, 2012 to March 31, 2017 will be determined by applying the adjustment factors in Schedule 3 of this Bylaw to the rates set out below, with new rate approval and implementation occurring on an annual basis in accordance with the adjustment methodology prescribed in Section 6 of this Bylaw.

**Rate** **Fixed Monthly Water Service Charge**

| <b>Meter Size</b> | <b>Monthly Charge</b> |
|-------------------|-----------------------|
| 15 mm             | \$6.16                |
| 20 mm             | \$8.45                |
| 25 mm             | \$11.97               |
| 40 mm             | \$20.92               |
| 50 mm             | \$27.87               |
| 75 mm             | \$55.33               |
| 100 mm            | \$101.09              |
| 150mm             | \$189.19              |
| 200 mm            | \$300.56              |
| 250mm             | \$702.36              |
| 300 mm            | \$702.36              |
| 400 mm            | \$839.67              |
| 500 mm            | \$904.19              |

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**Part II – Water Rate Riders**

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**Distribution System Rider**

|                        |   |
|------------------------|---|
| <b>Applicable</b>      | <p>To customers who privately own and operate a substantial underground water distribution system. For further clarification, the distribution system must provide service at multiple delivery points and not be less than 1 kilometer long.</p> <p>This rider is not applicable for dedicated fire protection service.</p> <p>The customer must submit a request in writing to EWSI. EWSI reserves the right to accept or deny any request. The amount and duration of this rider will be at the sole discretion of EWSI. Only one rider will be applied to any one customer at one time.</p> |
| <b>Rate</b>            | <p>A discount from the regular water rate category of the customer where the level of discount to the customer will be determined on a case-by-case basis.</p>  |
| <b>Effective Dates</b> | <p>This rate is effective as and when amended or approved by EWSI for the period April 1, 2012 to March 31, 2017.</p>   |

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**Part II – Water Rate Riders**

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**Multi-Meter Rider**

|                        |   |
|------------------------|---|
| <b>Applicable</b>      | <p>To customers who receive water through more than one water service and, as a result, more than one water meter.</p> <p>For further clarification, all water services must supply the same or adjoining buildings, and all water services must be in account to the same customer.</p> <p>This rider is not applicable for water meter bank installations associated with one water service.</p> <p>The customer must submit a request in writing to EWSI. EWSI reserves the right to accept or deny any request. The amount and duration of this rider will be at the sole discretion of EWSI. Only one rider will be applied to any one customer at one time.</p> |
| <b>Rate</b>            | <p>A discount from the regular water rate category of the customer where the level of discount to the customer will be determined on a case-by-case basis.</p>  |
| <b>Effective Dates</b> | <p>This rate is effective as and when amended or approved by EWSI for the period April 1, 2012 to March 31, 2017.</p>   |

### Part III – Service Charges

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#### Account Application Charge

|                   |   |         |
|-------------------|---|---------|
| <b>Applicable</b> | To all customers who apply for a new account or change accounts for water service within the city of Edmonton boundaries. |         |
| <b>Rate</b>       |   | \$25.00 |

#### Meter Installation or Removal Charge

|                   |  |             |
|-------------------|--|-------------|
| <b>Applicable</b> | To all customers, but most commonly for seasonal customers for whom a meter is removed and installed annually, and for customer-initiated connection and disconnection of water meters and/or associated metering devices. |             |
| <b>Rate</b>       | Up to 25 mm meter  | \$80.00     |
|                   | 40 mm to 75 mm meter   | \$175.00    |
|                   | Over 75 mm meter   | Actual Cost |
|                   | Seasonal meters  | Actual Cost |

#### Meter Test Charge

|                   |  |             |
|-------------------|--|-------------|
| <b>Applicable</b> | To all customers who request that their EWSI water meter be tested and the results of the test indicate that the meter is operating within prescribed standards. |             |
| <b>Rate</b>       | Up to 25 mm meter  | \$80.00     |
|                   | 40 mm to 75 mm meter   | \$175.00    |
|                   | Over 75 mm meter   | Actual Cost |

#### Damage Repair Charge

|                   |  |             |
|-------------------|--|-------------|
| <b>Applicable</b> | To all customers for whom EWSI must repair or replace damaged water valves, meters, remote meter reading devices or other EWSI equipment or appurtenances, where the equipment or appurtenance is under the customer's care or has been operated or interfered with by the customer. |             |
| <b>Rate</b>       |  | Actual Cost |

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**Part III – Service Charges**


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**Missed Appointment Charge**

**Applicable** To all customers who do not keep a scheduled appointment for any EWSI representative.

**Rate** \$35.00 per missed appointment

**EWSI Missed Appointment Credit**

**Applicable** For instances in which EWSI does not keep a scheduled appointment for a customer without giving reasonable notice.

**Rate** \$35.00 credit to customer per missed appointment

**No Access Charge**

**Applicable** To all customers who do not allow access by EWSI for the purpose of water meter reading for a period of 6 consecutive months.

**Rate** \$35.00 per month

**Hydrant Permit Charge**

**Applicable** To all customers who obtain water service through fire hydrants.

**Rate** **Hydrant Application Fee, annual, per permit** \$85.00  
**Hydrant Meter Service Charge** \$50.00 per month  
**Consumption Charge**

All consumption charged at the current Part I Multi-Residential Service Consumption Charge for 0 m<sup>3</sup> – 100.0 m<sup>3</sup>, as updated annually.

**Construction Service Charge**

**Applicable** To all customers who obtain water at a site during the construction period, prior to the premises going into account for billing.

**Rate** \$0.44 / \$1000 of construction cost

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**Part III – Service Charges**

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**Water Service Turn-On / Turn-Off Charge**

|                   |   |                         |
|-------------------|---|-------------------------|
| <b>Applicable</b> | To all customers requesting a water service be turned on or off (excludes turn-on related to non-payment on account). |                         |
| <b>Rate</b>       | During regular hours  | \$40.00 per site visit  |
|                   | Required outside regular working hours  | \$80.00 per site visit  |
|                   | Required within 48 hours of request   | \$120.00 per site visit |

**Water Service Turn-On Charge, After Turn-off for Non Payment**

|                   |  |                         |
|-------------------|--|-------------------------|
| <b>Applicable</b> | To all customers who require a water service to be turned on after having been turned-off due to non-payment on account. |                         |
| <b>Rate</b>       | During regular hours   | \$50.00 per site visit  |
|                   | Required outside regular working hours   | \$80.00 per site visit  |
|                   | Required within 48 hours of request  | \$120.00 per site visit |



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**Part III – Service Charges**


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**Fire Protection Service**

**Applicable** To all customers within the city of Edmonton who receive standby water service to their private fire protection installations.

**Rates** **Fixed Monthly Service Charges**

| <b>Fire Line Service Size</b> | <b>Monthly Charge</b> |
|-------------------------------|-----------------------|
| 50 mm                         | \$2.15                |
| 100 mm                        | \$11.18               |
| 150mm                         | \$24.22               |
| 200 mm                        | \$44.25               |
| 250mm                         | \$69.87               |
| 300 mm                        | \$110.55              |

**Truck Fill Service**

**Applicable** To all customers who obtain water from a truck fill site within the city of Edmonton municipal boundaries.

**Rate** **Account Application Fee** \$35.00  
**Consumption Charge:**  
 All consumption charged at the current Part I Multi-Residential Service Consumption Charge for 0 m<sup>3</sup> – 100.0 m<sup>3</sup>, as updated annually.

**Effective Dates** Part III Service Charges are effective April 1, 2012.

All consumption applicable to Consumption Charges for Hydrant Permit and Truck Fill Service will be charged at the then current and effective rate for Part I Multi-residential Water Service rate for 0 m<sup>3</sup> – 100.0 m<sup>3</sup>, as determined and adjusted pursuant to Part I of this Schedule.

## Part IV – Wastewater Treatment Rates

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### Residential Wastewater Treatment Service

**Applicable** To all domestic service customers and multi-residential service customers located within the city of Edmonton which are serviced by or connected to the City's sewerage system.

A domestic service and multi-residential service are defined in Part I of this Schedule.

### Effective Dates and Adjustments for Future Years

Fixed Monthly Services Charges and Consumption Charges for the period April 1, 2012 to March 31, 2017 will be determined by applying the adjustment factors in Schedule 3 of this Bylaw to the rates set out below, with new rate approval and implementation occurring on an annual basis in accordance with the adjustment methodology prescribed in Section 6 of this Bylaw.

|              |                                     |                  |
|--------------|-------------------------------------|------------------|
| <b>Rates</b> | <b>Fixed Monthly Service Charge</b> | \$2.89 per month |
|--------------|-------------------------------------|------------------|

#### **Consumption Charge \***

|                 |                             |
|-----------------|-----------------------------|
| All consumption | \$0.5526 per m <sup>3</sup> |
|-----------------|-----------------------------|

*\* Consumption is based on water meter readings unless otherwise approved by EWSI and the City.*

#### **Seasonal Charge Reduction**

During the period April 1 to September 30, the metered water consumption used in calculating the Consumption Charge for a domestic service only will be the lesser of:

- (a) the metered water consumption, or
- (b) the average monthly winter consumption plus five (5) m<sup>3</sup>.

The average monthly winter consumption means the averaged metered water consumption at a premise during the most recent six month period from October 1 to March 31. Where it is not possible to calculate the average monthly winter consumption due to lack of consumption history for the entire period of October 1 to March 31, the consumption charge will be based on the metered water consumption.

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**Part IV – Wastewater Treatment Rates**


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**Commercial Wastewater Treatment Service**

|                   |   |
|-------------------|---|
| <b>Applicable</b> | To all commercial, industrial and institutional customers within the city of Edmonton which are serviced by or connected to the City's sewerage system. |
|                   | To all customers not otherwise defined as Residential Wastewater Treatment Service customers.   |

**Effective Dates and Adjustments for Future Years**

Fixed Monthly Services Charges and Consumption Charges for the period April 1, 2012 to March 31, 2017 will be determined by applying the adjustment factors in Schedule 3 of this Bylaw to the rates set out below, with new rate approval and implementation occurring on an annual basis in accordance with the adjustment methodology prescribed in Section 6 of this Bylaw.

|              |  |                             |
|--------------|--|-----------------------------|
| <b>Rates</b> | <b>Fixed Monthly Service Charge</b>                | \$2.89 per month            |
|              | <b>Consumption Charge *</b>                        |                             |
|              | 0 m <sup>3</sup> – 10,000.0 m <sup>3</sup>         | \$0.5526 per m <sup>3</sup> |
|              | 10,000.1 m <sup>3</sup> – 100,000.0 m <sup>3</sup> | \$0.4275 per m <sup>3</sup> |
|              | Over 100,000.0 m <sup>3</sup>                      | \$0.2230 per m <sup>3</sup> |

*\* Consumption is based on water meter readings unless otherwise approved by EWSI and the City.*

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**Part IV – Wastewater Treatment Rates**

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**Wastewater Treatment Rate: Sewer Metering**

**Applicable**

To non-residential wastewater treatment service customers discharging more than 50,000 m<sup>3</sup> per month to the City's sanitary sewer system and who wish to apply for sewer metering in place of water meter readings.

The customer must submit a written application to The City, following the terms and processes outlined in the City of Edmonton Bylaw 9675, Sewers Use Bylaw, as amended.

**Wastewater Treatment Rate: Sewer Utility Credit**

**Applicable**

To non-residential wastewater treatment service customers who can clearly demonstrate that there is a water loss experience between their water consumed and their discharges to the sanitary sewer system on a continuous monthly basis.

The customer must submit a written application to The City, following the terms and processes outlined in the City of Edmonton Bylaw 9675, Sewers Use Bylaw, as amended.

## Part IV – Wastewater Treatment Rates

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### Wastewater Overstrength Surcharges

**Applicable** Applies to a customer who releases wastewater to the sewer system that contains one or more constituents that exceed the concentration indicated in this Schedule.

### Effective Dates and Adjustments for Future Years

The Wastewater Overstrength Surcharges for the period April 1, 2012 to March 31, 2017 will be determined and adjusted as outlined in Schedule 3 of this Bylaw, with new rate approval and implementation occurring on an annual basis in accordance with the adjustment methodology prescribed in Section 6 of this Bylaw.

### Rates:

#### Wastewater Overstrength Surcharge:

The Overstrength Surcharge, applied to each m<sup>3</sup> of water consumed, for each kilogram of surchargeable matter per m<sup>3</sup> of wastewater that exceeds the concentration indicated for that matter shall be:

|   | Concentrations Above: |
|---|-----------------------|
| a) \$0.3461 for Biochemical Oxygen Demand (BOD) | 300 mg/L              |
| b) \$0.3461 for Chemical Oxygen Demand (COD)    | 600 mg/L *            |
| c) \$0.3027 for oil and grease                  | 100 mg/L              |
| d) \$2.88 for phosphorous                       | 10 mg/L               |
| e) \$0.3142 for suspended solids, and           | 300 mg/L              |
| f) \$0.7351 for total kjeldahl nitrogen (TKN)   | 50 mg/L               |

\* Or twice the BOD concentration in the wastewater, whichever is greater.

#### Wastewater Additional Overstrength Surcharge:

The Additional Overstrength Surcharge, applied to each m<sup>3</sup> of water consumed, for each kilogram of surchargeable matter per m<sup>3</sup> of wastewater that exceeds the concentration indicated for that matter shall be:

|   | Concentrations Above: |
|---|-----------------------|
| a) \$0.3461 for Biochemical Oxygen Demand (BOD) | 3,000 mg/L            |
| b) \$0.3461 for Chemical Oxygen Demand (COD)    | 6,000 mg/L *          |
| c) \$0.3027 for oil and grease                  | 400 mg/L              |
| d) \$2.88 for phosphorous                       | 75 mg/L               |
| e) \$0.3142 for suspended solids, and           | 3,000 mg/L            |
| f) \$0.7351 for total kjeldahl nitrogen (TKN)   | 200 mg/L              |

\* Or twice the BOD concentration in the wastewater, whichever is greater.

## Part IV – Wastewater Treatment Rates

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### Wastewater Overstrength Surcharges Adjustment

**Applicable** To customers to whom the Wastewater Overstrength Surcharges apply and who own and operate facilities that produce and deposit into the sewer system 25,000 m<sup>3</sup> or more per month of wastewater with a Biochemical Oxygen Demand equal to or greater than 100 tonnes per month with a ratio of Chemical Oxygen Demand to Biochemical Oxygen Demand (5-day test) less than 2.0.

It must be demonstrated through a technical assessment by EWSI that the impact of treating the customer's wastewater stream at the Gold Bar Wastewater Treatment Plant will be significantly beneficial for biological nutrient removal. The customer must provide, at its own cost, all information, samples and other materials that EWSI may require to complete this technical assessment. The customer will be responsible for the full cost of the EWSI technical assessment.

This adjustment does not apply to Residential Wastewater Treatment Service customers. This adjustment does not supersede or override any provisions of the Sewers Use Bylaw 9675.

A customer who wishes to be considered for this adjustment must submit a request in writing to EWSI for review of its Wastewater Overstrength Surcharge and eligibility for the adjustment. EWSI reserves the right to accept or deny any application and the amount and duration of the adjustment will be at the sole discretion of EWSI, as determined by the EWSI study reflecting the Gold Bar Wastewater Treatment Plant operation. Only one Wastewater Overstrength Surcharges Adjustment will be applied to any one customer at one time.

**Rate** A discount from the regular rates for Wastewater Overstrength Surcharges where the level of discount to the customer will be determined on a case-by-case basis.

**Effective Dates** This rate is effective as and when EWSI amends or approves the rate for the period April 1, 2012 to March 31, 2017.

(S.2, Bylaw 16144, July 4, 2012)

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**Part IV – Wastewater Treatment Rates**

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**Wastewater Overstrength Surcharges: Supplementary Information****1. Key Terms**

- a) **Biochemical oxygen demand (BOD)** means the quantity of oxygen required for the biochemical degradation of organic material and the oxygen used to oxidize inorganic material such as sulphides and ferrous iron during a 5-day, 20 degree Celsius incubation period and may measure the oxygen used to oxidize reduced forms of nitrogen, as determined by using a standard procedure.
- b) **Chemical oxygen demand (COD)** means a measure of the oxygen equivalent of the organic content of a sample that is susceptible to oxidation by a strong chemical oxidant, as determined by using a standard procedure.
- c) **Flow monitoring point** means an access point to the building drain, building sewer, private drainage system or sewer service for the purpose of collecting representative samples of the wastewater being released from the premises.
- d) **Oil and grease** means any solvent extractable material of animal, vegetable or mineral origin, as determined by using a standard procedure.
- e) **Phosphorus** means all forms of phosphorus in a sample, as determined by using a standard procedure.
- f) **Suspended solids** means the portion of total solids retained by a filter, as determined by using a standard procedure.
- g) **Total Kjeldahl Nitrogen (TKN)** means organically bound nitrogen plus ammonia nitrogen, as determined by using a standard procedure.

**2. Determination of Wastewater Overstrength Surcharges**

EWSI or its agent:

- a) will collect a composite sample of the wastewater being released over any 24 hour period or part thereof;
- b) will determine the concentration of the surchargeable constituents in the sample, using a standard procedure;

## Part IV – Wastewater Treatment Rates

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### Wastewater Overstrength Surcharges: Supplementary Information

- c) will calculate the average concentration of each constituent from a minimum of four (4) composite samples taken over a period of more than seven (7) days, and not longer than a 12 month period;
- d) may, where the concentration(s) of the overstrength constituent(s) are in the same range as those used to establish the existing overstrength surcharge, use the existing mean concentrations to set the overstrength surcharge rate until such time as the concentrations fall outside the existing range;
- e) will calculate the average number of kilograms of each surchargeable constituent per cubic metre of wastewater, that exceeds the concentration indicated in Part IV “Wastewater Overstrength Surcharge” and “Wastewater Additional Overstrength Surcharge” of this Schedule; and,
- f) will calculate the Wastewater Overstrength Surcharges which will appear on the customer’s utility bill using the following formula:

Overstrength surcharge (\$) =

$$\frac{m^3 \{ (Ob (Cxb - 300) + Oc(Cxc - Cac) + Oo(Cxo - 100) + Op(Cxp - 10) + Os (Cxs - 300) + On(Cxn - 50)) \}}{100,000}$$

Where:

- $m^3$  is the total water consumption in cubic meters (or, if approved, sewer metering);
- Ob, Oc, Oo, Op, Os and On are the Overstrength surcharge set out in Part IV for each kilogram of BOD, COD, oil and grease, phosphorus, suspended solids, and TKN, respectively.
- Cxb, Cxc, Cxo, Cxp, Cxs, Csn are the average concentrations in milligrams per liter (mg/L) of BOD, COD, oil and grease, phosphorus, suspended solids and TKN, respectively, in the sampled wastewater.
- Cac is 600 or double the average BOD concentration in mg/L, whichever is greater.
- The additional surcharge is calculated using the above formula but substituting 3000, 400, 75, 3000 and 200 for 300, 100, 10, 300 and 50, respectively, and Cac is 6000 or double the average BOD concentration in mg/L, whichever is greater.
- Where the remainder of a subtraction is a negative number, that component of the formula becomes equal to zero.



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**Part IV – Wastewater Treatment Rates**

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**Wastewater Overstrength Surcharges: Supplementary Information****3. Application of Wastewater Overstrength Surcharges****a) Single Business, Multiple Sewers:**

Where the wastewater from a premises is released through two or more building sewers and where there is no accurate measurement of the individual flows being released, the release that would produce the highest surcharge will be used to determine the overstrength surcharge on all releases.

**b) Multiple Businesses, Single Water & Sewer Service:**

Wastewater released through a single sewer service from a premises with two or more separate businesses serviced by a single water service will be considered as being released by the person responsible for the payment of the utility bill for that water meter.

**c) Multiple Businesses, Multiple Water Services & Single Sewer Service**

Wastewater released through a single sewer service from a premises with two or more separate businesses, each serviced by separately metered water services, will be considered as being released from each of the separate businesses, in proportion to the separate business' water consumption, unless it is shown to the satisfaction of EWSI or its agent, by the owner of the premises, that:

- i. the portion of the wastewater that is overstrength is being released from only one of the businesses serviced by a separate metered water service on the premises; and,
- ii. the release from that business can be monitored separately from the other businesses.

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**Part IV – Wastewater Treatment Rates**

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**Wastewater Overstrength Surcharges: Supplementary Information**

**4. Review of Wastewater Overstrength Surcharges**

A customer may request a review of the Wastewater Overstrength Surcharge or the Additional Overstrength Surcharge, or both, by applying in writing to EWSI to have the specific charges reviewed.

The customer making the request will supply to EWSI:

- (a) analytical data from analyses of composite samples:
  - (i) collected over the period of time over which the surcharge was calculated;
  - (ii) collected from the flow monitoring point in accordance with section 2(a) of this Wastewater Overstrength Surcharge: Supplementary Information;
  - (iii) analyzed in accordance with section 2(b) of this Wastewater Overstrength Surcharge: Supplementary Information; and,
  - (iv) supported by the analytical data indicating the accuracy and precision of the analyses; and
- (b) any other information EWSI deems necessary to carry out the review.

EWSI will determine whether the Wastewater Overstrength Surcharge, the Additional Overstrength Surcharge, or both, should be recalculated for the time period being reviewed.

**Part V – Late Payment Charges**

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**Late Payment Charges**

A late payment charge of 2.5% per month, not compounded, is applied to all charges on a Customer's Account, if the Customer's payment has not been received by EWSI before one month from the date of issuance of the bill in respect of the charges. If considered to be interest payable for credit advanced, then the late payment charge is equivalent to a maximum yearly rate of 45.6%. A dishonoured cheque charge of \$25.00 is applied for each cheque returned for insufficient funds.

## **Schedule 2**

### **Terms and Conditions of Water Service**

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## Terms and Conditions of Water Service

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### INTRODUCTION TO TERMS AND CONDITIONS

These Terms and Conditions, as approved by the municipal council of the City of Edmonton, form part of Bylaw 15816 (the “EPCOR Water Services and Wastewater Treatment Bylaw”) which regulates the provision of Water Services in the city of Edmonton by EPCOR Water Services, Inc. (“EWSI”). The EPCOR Water Services and Wastewater Treatment Bylaw, which also includes the EWSI Price Schedule in effect from time to time, is enacted pursuant to the powers vested in the City under the provisions of the Municipal Government Act, R.S.A. 2000 C. M-26.

These Terms and Conditions apply to EWSI and its relationship with all of its Customers. Every Customer, by applying for or using a Service Connection or Water Services or other services of any kind provided by EWSI under the authority of these Terms and Conditions, is deemed to have accepted these Terms and Conditions and is bound by and subject to them.

Unless otherwise agreed in writing by EWSI and a Customer, provision of Water Services or other services by EWSI to Customers will occur only in accordance with these Terms and Conditions.

### ARTICLE 1 - DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

The following words and phrases, whenever used in these Terms and Conditions or in an application, contract or agreement for service under these Terms and Conditions, shall have the meanings set forth below:

“**Account**” means a written and/or digital record of use of Water Services or other services by a Customer, including the amounts payable from time to time by the Customer to EWSI;

“**Business Day**” means a day, which is not a Saturday, Sunday or a statutory holiday in the Province of Alberta, and “day” means any calendar day.

“**City**” means the municipal corporation of the City of Edmonton;

“**Cross Connection**” means any permanent or temporary piping arrangement that allows or may potentially allow the Waterworks System to be connected to a contaminant source. Examples may include, without limitation: garden hoses, any other hose attached to a threaded faucet, swivel or change over devices, removable sections, jumper connections and bypass arrangements;

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**Terms and Conditions of Water Service**

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**“Curb Cock”** means a valve connected into a Service Connection enabling the water supply to a Customer to be Turned Off or Turned On, (which will ordinarily but not necessarily be located at or near a Customer’s property line);

**“Customer”** means any person, firm or body corporate that receives Water Services or other services related to or incidental to the Water Services from EWSI pursuant to the EPCOR Water Services and Wastewater Treatment Bylaw and where the context or circumstances so require includes any person who makes or has made an application for Water Services or otherwise seeks to receive Water Services, and also includes any person acting as an agent or representative of a Customer, as well as a registered owner of property where Water Services are being received;

**“Customer Usage Information”** means information regarding the historical use of Water Services or water consumption of a Customer, and includes the Customer’s history of payment for Water Services or other services provided under these Terms and Conditions;

**“Disturbed Ground”** means terrain (surface or sub-surface) that is disturbed and that may require incremental construction techniques or support systems to provide stability;

**“Dwelling”** means a private residence with sleeping and cooking facilities used or intended to be used permanently or semi-permanently as a residence ;

**“EWSI”** means EPCOR Water Services Inc. or its successor;

**“Facilities”** means any infrastructure forming part of the Waterworks System owned or used by EWSI including, without limitation: water treatment plants, reservoirs, pumping stations, water transmission mains, water distribution mains, water service lines, Curb Cocks, valves, fire hydrants, chambers, utility corridors, tunnels, casings, flow or pressure regulating valves, air/vacuum relief valves, meters and any other measurement devices and other physical plant and piping appurtenances, used to produce and supply potable water;

**“Force Majeure”** means circumstances not reasonably within the control of EWSI, including acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water, washouts, inclement weather, orders or acts of civil or military authorities, civil disturbances, explosions, breakdown or accident to equipment, mechanical breakdowns, intervention of federal, provincial or local government or any of their agencies or boards, the order or direction of any court, and any other cause, whether of the kind herein described or otherwise;

**“Multiple Dwelling”** means a wholly or partially residential development containing more than one Dwelling, whether or not the development is within a



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**Terms and Conditions of Water Service**

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single building or structure, which receives Water Services through a total number of Service Connection Points that is less than the total number of Dwellings in the residential development;

**“Potable Water”** means water that is suitable for human consumption;

**“Price Schedule”** means the rates, fees and charges for Water Services more particularly described in Schedule 1 of the EPCOR Water Services and Wastewater Treatment Bylaw, as approved by the City and in effect at the time;

**“Private Service Line”** means the Customer owned water line and all associated equipment and any other assets for providing water to a Customer that are located downstream of the Service Connection Point, including the piping joint on the downstream side of the Service Connection Point and excepting the water meter that is owned by EWSI;

**“Service Connection”** means all of the Facilities required to achieve a physical connection between an EWSI water main abutting Customer property and a Private Service Line to allow a Customer to receive water delivered through the Waterworks System, including without limitation the water service line from the water main to the Service Connection Point;

**“Service Connection Point”** means the point where a Service Connection owned by EWSI and forming part of the Waterworks System physically connects to a Private Service Line (which will ordinarily, but not necessarily, be a point at or near a Customer’s property line).

**“Terms and Conditions”** means the terms and conditions in respect of Water Services described herein.

**“Turn Off”** means the process where the delivery of potable water to the Customer is terminated. Turn Off is normally executed by operating the inlet valve or the master control valve, associated with the meter setting. In EWSI’s sole discretion, Turn Off may be executed by operation of the Curb Cock.

**“Turn On”** means the process where the delivery of potable water to the Customer is activated or re-activated. Turn On is normally executed by operating the inlet valve or the master control valve, associated with the meter setting. In EWSI’s sole discretion, Turn On may be executed by operation of the Curb Cock.

**“Water Services”** includes but is not limited to the production, treatment and supply of potable water delivered through a Service Connection in accordance with the provisions of the Water Services Franchise Agreement to a Customer, any and all incidental services more particularly described in these Terms and Conditions, and the use of physical plant, equipment, apparatus, appliances,

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**Terms and Conditions of Water Service**

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property and facilities owned or employed by EWSI or used in connection with EWSI in providing the supply of potable water to the property of any Customer;

**“Water Services Agreement”** means any agreement under which EWSI has or may incur an obligation to provide Water Services to one or more Customers, and may at EWSI’s sole option include any servicing agreement entered into by the City to which EWSI is not a party to the extent that the servicing agreement addresses the provision of Water Services to a Customer;

**“Water Services Guidelines”** means any document referred to as Water Services Guidelines in paragraph 2.2 of Article 2 of these Terms and Conditions;

**“Waterworks System”** means the Facilities and all associated real and personal property used by EWSI to supply potable water to Customers.

## **1.2 Conflicts**

If there is any conflict between a provision in these Terms and Conditions, and a provision in a Water Services Agreement or other agreement between EWSI and a Customer, the provision in these Terms and Conditions shall govern unless an express term of the Water Services Agreement or other agreement states otherwise.

## **1.3 Extended Meanings**

In these Terms and Conditions, words importing the singular number shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa. Words importing a person shall include a person, firm, partnership, corporation, organization or association (including, without limitation, individual members of any unincorporated entity).

## **1.4 Headings**

The division of these Terms and Conditions into sections, subsections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of these Terms and Conditions.

## Terms and Conditions of Water Service

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### ARTICLE 2 - GENERAL PROVISIONS

#### 2.1 Fundamental Obligations of EWSI and of Customers

- (a) EWSI will provide Water Services, at the fees, rates or other charges specified in the Price Schedule in accordance with these Terms and Conditions and with applicable provisions of the Water Services Guidelines. All additional services provided by EWSI to a Customer will be billed to the Customer in accordance with an agreement between the Customer and EWSI. The general costs of operating and maintaining the Waterworks System are covered by the rates for Water Services set out in the Price Schedule. EWSI will operate and maintain the Waterworks System at no additional charge to any Customer beyond the fees, rates and charges for Water Services set out in the Price Schedule or in a Water Services Agreement, except for costs arising from:
  - (i) requirements or requests for specific non-routine services not more particularly described in the Price Schedule, or the acts or omissions of any particular Customer or defined group of Customers,
  - (ii) repairs or remedies of any loss or damage to Facilities or other property that is caused by a Customer or any other party for whom a Customer is responsible in law, including, without limitation, any costs or damages described in any judgment of a court in EWSI's favour.

Such additional costs may at EWSI's sole option (and in addition to any other legally available remedies) be added to a Customer's Account as an additional amount due and payable by the Customer to EWSI.

- (b) When EWSI performs a repair on its Facilities affecting a Customer's property, EWSI will make all reasonable efforts to return the property to its original or similar to original condition as soon as practicable after the repair is completed.
- (c) Prior to receiving any Water Services from EWSI, a Customer shall open an Account to pay for all services provided by EWSI, whether or not listed in the Price Schedule. Any such services may be added by EWSI to the Customer's Account. A Customer shall comply with the requirements of these Terms and Conditions and the Water Services Guidelines.
- (d) Where any Facilities required to supply Water Services to a Customer are located in Disturbed Ground, or where any other unusual condition exists, EWSI's obligation to construct does not include incremental construction costs required to stabilize such Facilities or the disturbed ground, or to address other unusual conditions. The Customer may at EWSI's sole

## Terms and Conditions of Water Service

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option be required to pay all additional construction costs in such circumstances, including the costs of any required support system.

### 2.2 Water Services Guidelines

- (a) EWSI may adopt, and amend from time to time, written requirements, standards, specifications, procedures, protocols or guidelines supplementary to these Terms and Conditions (the “Water Services Guidelines”) as EWSI deems advisable for the purpose of clarifying or explaining:
  - (i) any fee, rate or other charge set out in the Price Schedule, including the circumstances and the manner in which such fee, rate or charge will be applied and billed to a Customer;
  - (ii) the manner in which EWSI’s obligations under the EPCOR Water Services and Wastewater Treatment Bylaw and any applicable federal or provincial legislation or regulations will be fulfilled and the impacts on Customers;
  - (iii) EWSI’s operating policies and procedures, and its requirements in relation to provision of Water Services or other services, including without limitation requirements intended to: provide security for costs incurred by EWSI, ensure the health and safety of employees, ensure the safety of the potable water supply delivered through the Waterworks System and maintain the reliability of the Waterworks System.

Any such Water Services Guideline (or amendment thereto) becomes effective and binding upon a Customer or other person affected when delivered to the City Clerk by EWSI. Without limitation to the foregoing and in the interest of greater clarity, the term “amend” in this clause includes the deletion of all or any portion of any Water Services Guideline previously filed with the City Clerk. Any Water Services Guideline or portion thereof so deleted ceases to be binding upon Customers as of the effective date of the amendment as specified in a written notice from EWSI to the City Clerk.

- (b) Without limiting the generality of Section 2.2(a) above, Water Services Guidelines may deal with any or all of the following subject matter:
  - (i) procedures or requirements that a Customer must comply with before a Service Connection is installed or activated, or before Water Services are provided, or as a condition of ongoing provision of Water Services;

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- (ii) Customer Accounts, including without limitation provisions or requirements concerning: opening an Account, making payments on an Account, consequences for failure to pay Accounts in full, lost bills, dishonoured cheques, collection of delinquent Accounts, adjusting improperly billed Accounts, Water Service application fees, handling of confidential Customer Account information, closing an Account, and any other matter relating to Customer Accounts;
  - (iii) measurement of water consumption, including without limitation provisions or requirements concerning: meter inspection and testing, meter settings, chambers and installations, meter reading, disputes concerning meter data, estimates of consumption, private or subsidiary meters, remote meter reading devices, relocation of meters, access for meter readers, and adjustments to bills when meters have malfunctioned;
  - (iv) procedures or requirements concerning investigation of Customer complaints and concerns;
  - (v) procedures or requirements for provision of temporary Water Services, including without limitation Water Services provided during the construction phase of a development;
  - (vi) procedures or requirements for upgrading, re-sizing relocating or otherwise changing a Service Connection, whether at the instigation of EWSI or at the request of a Customer;
  - (vii) the Turn On and Turn Off of Water Services, whether at the instigation of EWSI or at the request of a Customer;
  - (viii) supply of water for firefighting purposes, including without limitation procedures and requirements concerning the maintenance of public or private fire hydrants and permissible use of water from fire hydrants.
- (c) The following are deemed to be Water Services Guidelines and are effective and binding upon every Customer, and may be amended or rescinded from time to time by EWSI:
- (i) the EWSI document entitled “EWSI Service Standards”;
  - (ii) the document entitled “Design and Construction Standards for the City of Edmonton; Volume 4 – Water”;
  - (iii) the EWSI document entitled “Cross Connection Control Policy”.

## Terms and Conditions of Water Service

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- (d) While EWSI is committed to, and will endeavour to comply with, its Water Services Guidelines, the operations of EWSI are complex and dynamic and the Water Services Guidelines may not appropriately or exhaustively deal with every situation that arises. EWSI, acting reasonably, may deviate from the provisions of the Water Services Guidelines or take action not specifically authorized by these Terms and Conditions or by the Water Services Guidelines at EWSI's sole discretion.

### ARTICLE 3 - METHODS AND PROCEDURES FOR OBTAINING WATER SERVICES

#### 3.1 Requirement for Account and Obligation to Pay

- (a) Prior to receiving any Water Services from EWSI, a Customer is obligated to open an Account. Customers shall pay in full for all services provided by EWSI upon receipt of a bill. A late payment charge of 2.5% per month, not compounded, is applied to all charges on a Customer's Account, if the Customer's payment has not been received by EWSI before one month from the date of issuance of the bill in respect of the charges. If considered to be interest payable for credit advanced, then the late payment charge is equivalent to a maximum yearly rate of 45.6%. A dishonoured cheque charge is applied for each cheque returned for insufficient funds.
- (b) If at any time there is not a Customer with an Account open for premises to which Water Services are supplied, the owner of such premises will be deemed to be the Customer at the premises and will be required to pay for all Water Services provided to the Premises until an Account is opened by another Customer.
- (c) At the sole option of EWSI, an owner of premises to which Water Services are supplied who rents or leases all or part of the premises to a tenant or lessee, may be required to open an Account for the supply of Water Services to the portion of the premises that are rented or leased from time to time.
- (d) EWSI may, without approval or consent of an owner, upon not less than 90 days written notice to the owner, open a new Account in the name of the owner in respect of leased premises if:
  - (i) the tenant or lessee is more than 60 days in arrears of payment for Water Services; and
  - (ii) it is physically impossible or impracticable to Turn Off Water Services to the tenant or lessee without adversely affecting Water Services to one or more other Customers that occupy the same

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**Terms and Conditions of Water Service**

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premises and/or that receive Water Services through a common Service Connection.

In such a case, the owner shall be required to pay for Water Services from the date on which the new account is opened by EWSI in the Owner's name. The owner shall not be required to pay EWSI for the tenant or lessee's arrears for Water Services at that location, unless a provision in an agreement otherwise specifies.

**3.2 Customer Application for Water Services**

- (a) At the request of a Customer and upon fulfillment of all conditions set out in these Terms and Conditions and in the Water Services Guidelines, EWSI will install and maintain a Service Connection to a Customer's premises abutting a street or right-of-way where there is a water main. Unless an agreement between EWSI and a Customer specifically provides otherwise:
  - (i) EWSI shall be and remain the owner of the Service Connection;
  - (ii) the Customer shall be and remain the owner of the Private Service Line downstream of the Service Connection Point;
  - (iii) EWSI shall be and remain the owner of all water meters and other measuring and monitoring devices associated with the Service Connection, regardless of whether they are located upstream or downstream of the Service Connection Point.
- (b) A Customer applying for Water Services involving a new Service Connection shall supply information regarding the location of the premises to be served, the manner in which the Service Connection will be utilized, and any other information that may be reasonably required by EWSI.
- (c) Before making a decision on a Customer application involving a new Service Connection, EWSI is allowed a reasonable time to verify the identity of the Customer and/or the accuracy of the information provided, and may require the Customer to sign a formal application for Water Services, in writing, which may be on a standard form approved by EWSI.
- (d) For all commercial and industrial Customers, and for any other Customer for whom provision of Water Services will involve installation of a new Service Connection or construction of new Facilities or an extension to or modification of the Waterworks System, an express written acknowledgement that the Customer has agreed to these Terms and Conditions is required before EWSI will take any steps toward providing the requested Water Services.

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- (e) At EWSI's sole option, a Customer needing a new Service Connection or construction of new Facilities or an extension to or modification of the Waterworks System may be required to execute a Water Services Agreement, before EWSI commences any design or construction work.
- (f) Upon receipt of all required information, verification of the Customer's identity and the accuracy of the information, and execution of any applicable acknowledgement form or agreement, EWSI will:
  - (i) advise the Customer whether and on what terms EWSI is prepared to supply Water Services to the Customer;
  - (ii) in the case of a Customer requiring a new Service Connection, advise the Customer of the type and character of the Service Connection it is prepared to supply to the Customer, and any conditions (including without limitation, payments by the Customer) that must be satisfied as a condition of installation of a Service Connection and supply of Water Services.

**3.3 Rejection of Application for Water Services or Service Connection**

EWSI may, without limitation, reject any Customer's request for a Service Connection or for Water Services when:

- (a) the Customer does not have currently in effect all approvals that may be required for the installation of the Service Connection;
- (b) the Customer refuses to enter into a Water Services Agreement or other form of agreement acceptable to EWSI;
- (c) any representation made by the Customer to EWSI for the purpose of obtaining a Service Connection is, in EWSI's reasonably held opinion, fraudulent, untruthful or misleading;
- (d) the Customer has not, when requested by EWSI to do so, provided a signed written application for Water Services;
- (e) the type of Water Services or Service Connection applied for is not available or not normally provided by EWSI in the locality where the Water Services or Service Connection is requested;
- (f) the requirements of the Water Services Guidelines have not been met; or
- (g) the proposed Water Services or Service Connection, in EWSI's reasonably held opinion, has unusual characteristics that might adversely affect the quality of Water Services supplied to other Customers, public



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health or safety, the health or safety of EWSI's personnel, or the safety or reliability of any other Facilities or the Waterworks System.

**3.4 Security Deposits**

- (a) EWSI may at the time of a Customer's application for Water Services or at any time thereafter request a Customer to supply information reasonably required by EWSI to determine the Customer's credit history and/or credit risk. If a Customer fails to supply such information EWSI may refuse to supply, or discontinue supply of, Water Services to the Customer.
- (b) EWSI, in its sole discretion, may at the time of a Customer's application for Water Services or at any time thereafter require the Customer to post a security deposit or an increase to an existing security deposit in circumstances that may include, without limitation, the following:
  - (i) late payment by the Customer for Water Services or other services provided by EWSI;
  - (ii) the Customer has issued more than one cheque or pre-authorized debit that has been returned for non-sufficient funds in any six month period;
  - (iii) there has been a significant increase in the Customer's rate of consumption of water;
  - (iv) the Customer is applying for Turn On or for a new Water Services after having previously been Turned Off from Water Services for non-payment;
  - (v) the Customer making the application for service has a credit rating that is not satisfactory to EWSI; or
  - (vi) the Customer is applying for a permit to take water from a fire hydrant.
- (c) EWSI, in its sole discretion, may determine that a Customer is not required to post a security deposit or is no longer required to maintain an existing security deposit, in circumstances that may include, without limitation, the following:
  - (i) the Customer has a good payment history with EWSI;
  - (ii) where a result satisfactory to EWSI is obtained from an external credit check;

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- (iii) where the Customer provides a co-signor who agrees to be personally responsible for payment for Water Services supplied and services rendered to the Customer and who has a credit rating acceptable to EWSI; or
- (iv) where the Customer provides to EWSI an indemnity bond or irrevocable letter of credit from a financial institution satisfactory to EWSI.
- (d) Unless extraordinary circumstances apply, the maximum security deposit EWSI will require from a Customer for Water Services not involving a new Service Connection is an amount equal to three times the amount EWSI estimates will be the average monthly billing to the Customer for Water Services.
- (e) A deposit made by a Customer may be returned to the Customer after a satisfactory payment history over a period of 12 consecutive months or when the Customer's Water Services are terminated and the Customer's account is closed. Where a Customer's Water Services are terminated and the Customer's Account is closed for non-payment, prior to any refund, the deposit will be applied to the balance owing by the Customer to EWSI.
- (f) EWSI will pay to a Customer as soon as practicable after the end of each calendar year, or after the Customer's Account is closed, simple interest on the daily balance of any cash deposit held by EWSI in respect of the Customer. The interest rate applicable to such payments is the "Bank Rate" announced by the Bank of Canada and in effect from time to time.

**3.5 Customer Contracts****(a) Water Services Agreement**

EWSI may, in its sole discretion, require a Customer previously connected or seeking to connect to the Waterworks System to sign a Water Services Agreement in respect of a Service Connection, as a condition of receiving or continuing to receive a Service Connection or Water Services.

**(b) Assignment of Contractual Obligations**

All services, whether or not they require EWSI's assignment consent, that are properly assigned or otherwise transferred to a corporate Customer's affiliate or successor taking over the operation of a Customer's business and operations at premises subject to a pre-existing Account, shall be subject to the terms of the Customer's Water Services Agreements and billing history. Any change in service requirements as a result of such assignment or transfer shall be made in accordance with these Terms and Conditions. The existing contractual

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arrangements will remain in place until any new agreements have been approved and accepted by both parties.

**3.6 Authorizations and Approvals for Service Connection**

The Customer shall be responsible for obtaining all permits, certificates, licenses, inspections, reports, and other authorizations necessary for the installation and operation of the Service Connection. EWSI shall not be required to commence or continue installation or operation of a Service Connection unless and until the Customer has complied with the requirements of all governmental authorities, permits, certificates, licenses, inspections, reports and other authorizations, all right-of-way agreements, and all of EWSI's requirements applicable to the installation and operation of the Service Connection. EWSI reserves the right to verify that all necessary authorizations have been obtained by Customers.

**3.7 Temporary Service and Construction Service**

- (a) Where EWSI reasonably believes that a requested service will be temporary, it may require the Customer requesting the service to pay to EWSI in advance of construction the estimated cost of the necessary Facilities plus the estimated cost of installation and removal of Facilities, less the value of any salvaged material.
- (b) EWSI will provide temporary, unmetered Water Service wherever practicable to a Customer for purposes of facilitating construction of a new development. The Customer will pay a rate, charge or fee for such Water Services based on the total cost of construction of the development, as specified in the Price Schedule. A Customer who is receiving unmetered Water Service for the construction phase of a development ceases to be entitled to take unmetered Water Service at the construction rate and is required to apply for metered Water Services when
  - (i) a City occupancy permit is issued for the development; or
  - (ii) the development is being used for its intended purpose;whichever event occurs first.

**3.8 Scheduling for Service Connection**

EWSI shall schedule Customers for Service Connection in accordance with the Water Services Guidelines, after:

- (a) the Customer has complied with EWSI's application requirements;

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- (b) the Customer has complied with the requirements of all applicable construction and safety standards or regulations; and
- (c) the Customer's application for Water Services has been accepted by EWSI.

#### 3.9 Customer to Notify EWSI of Changes

When a Customer has a change of name or contact information, (including without limitation: mailing address, telephone number(s), e-mail address) the Customer must immediately notify EWSI of such change. EWSI reserves the right to require that such notification be made in writing

#### 3.10 Customer Usage Information

- (a) EWSI shall provide standard Customer Usage Information to a Customer, or to an agent acting on behalf of a Customer, upon request and in the case of an agent only after receiving written consent to such disclosure from the Customer in a form satisfactory to EWSI, for the 12-month period preceding the date of the request or for such shorter period for which EWSI has collected that information.
- (b) EWSI shall not be obligated to provide Customer Usage Information for a period greater than 24 months prior to the date of request. If a Customer requests Customer Usage Information for any time earlier than 24 months prior to the date of request, EWSI may in its sole discretion charge a fee for retrieving and supplying the information requested.

### ARTICLE 4 - SERVICE REQUIREMENTS AND FACILITIES

#### 4.1 Protection of EWSI's Facilities and Property of Other Customers

- (a) No Interference with Facilities

The Customer shall not install or allow to be installed on property owned or controlled by the Customer any temporary or permanent structures, fences or landscaping that could interfere with the proper and safe access to, or operation of EWSI's Facilities or result in non-compliance with applicable statutes, regulations, standards or codes.

Only an employee or authorized agent of EWSI shall remove, operate, or maintain EWSI Facilities. A Customer shall not obstruct access to or interfere with or alter any meter, seal or other Facility or permit the same to be done by any person other than an employee or authorized agent of EWSI. A Customer is responsible to pay for the cost of repairing or otherwise remedying any damage to or loss of Facilities located on the Customer's premises or premises controlled

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by the Customer, unless caused by circumstances, as determined in EWSI's sole discretion, to have been beyond the Customer's control.

(b) Deep Ground Disturbance in Proximity to Water Facilities

Any party that proposes any construction involving ground disturbance to a depth exceeding two (2) metres within five (5) metres of the boundary of lands containing EWSI Facilities is required to enter into a Facility Proximity Agreement with EWSI, prior to performing the ground disturbance. The conditions of the agreement may at EPCOR's sole discretion include, but not be limited to, the following:

- (i) The EWSI Facility must be isolated and drained. Active customers on the isolated main, must be provided with temporary water service. Temporary servicing, and construction activity may be limited to the months of May to October. The constructor will be responsible for all costs associated with de-commissioning, temporary servicing and re-commissioning of the EWSI Facility.
- (ii) The water main is to be exposed by hydrovac at a minimum of two locations to confirm the existing location and the proposed clearances prior to any ground disturbance.
- (iii) A requirement to contact the Inspections Coordinator at 780-412-3155 a minimum of 72 hours in advance of the hydrovac exposure to arrange for an EPCOR Inspector to be on-site.
- (iv) All Service Connections not required for the future building(s) must be formally abandoned at the main prior to excavation.
- (v) All appropriate measures must be taken to ensure the existing support around the water main is not disturbed by any of the construction activities. Any sloughing, settlement or undermining of the ground within five (5) metres of a EWSI Facility must be reported to EWSI. Any damage to the existing EWSI Facility resulting from the construction, how so ever caused, will be repaired at the sole cost of the constructor.
- (vi) The constructor must notify EWSI when the ground disturbance in proximity to the EWSI Facility is completed so that the Facility can be re-commissioned.
- (vii) An indemnification in favour of EPCOR for any and all costs or liabilities arising from the construction, including costs or liabilities arising in respect of any (A) water service interruption, defect or failure, (B) damage to any existing EWSI Facility, (C) damage to the property of third parties, (D) damage to a construction site, (E)

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delay of construction, other than as caused by any deliberate or negligent action of EPCOR

(c) Protection of the Private Service Line, Equipment and Assets on Customer's Property

The Customer is solely responsible to take all necessary measures to prevent damage to the Private Service Line and any other equipment or assets connected to the Facilities on the Customer's property, including the EWSI meter, due to any cause, including, without limitation, freezing and settlement or movement of the structure or soil through which the Private Service Line passes. EWSI shall not be liable for any repair, maintenance or replacement of any Private Service Line, except where damage to a Private Service Line is caused by a deliberate or negligent act of EWSI.

The Customer shall provide and maintain, at no cost to EWSI, the necessary space and protective barriers to safeguard Facilities installed or to be installed upon the Customer's premises. If the Customer refuses, EWSI may, at its option, provide and maintain such protective barriers, and charge the Customer for these services. Such space, and protective barriers shall be in conformity with applicable laws and regulations and subject to EWSI's approval.

(d) Compliance with Requirements and Use of Service Connection

The Customer shall ensure that the Private Service Line and any other equipment or assets comply with the requirements of any applicable code or regulation and with the Water Services Guidelines. The Customer shall not use a Service Connection or any Water Services received in a manner so as to cause interference with any other Customer's use of a Service Connection or Water Services. At EWSI's request, a Customer shall take whatever action is required to correct such interference or disturbance at the Customer's expense.

(e) Customer to Pay Relocation Costs

The Customer shall pay all costs of relocating EWSI's Facilities at the Customer's request, if such relocation is for the Customer's convenience, or if necessary to remedy any violation of law or regulation caused by the Customer. If requested by EWSI, the Customer shall pay the estimated cost of the relocation in advance.

(f) Prohibited Extension of the Private Service Line, Piping, Equipment or Assets

A Customer shall not extend or permit the extension of a Private Service Line or any other customer-owned piping, equipment or other assets that are connected directly or indirectly to the Waterworks System, beyond the separately titled lot or

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parcel of land in respect of which they are used to supply Water Services through a Service Connection Point.

**ARTICLE 5 - EASEMENTS, RIGHTS-OF-WAY, AND USE OF AND ACCESS TO FACILITIES****5.1 Easements and Rights-of-Way**

At the request of EWSI a Customer shall grant or cause to be granted to EWSI, without cost to EWSI, such easements or rights-of-way over, upon or under property owned or controlled by the Customer as EWSI reasonably requires for the construction, installation, maintenance, repair, and operation of the Waterworks System.

**5.2 Right of Entry**

- (a) EWSI's employees, agents and other representatives shall have the right to enter a Customer's premises at all reasonable times, or at any time during an event of Force Majeure, for the purpose of installing, maintaining, replacing, testing, monitoring, reading or removing EWSI's Facilities and for any other purpose incidental to the provision of Water Services. A Customer shall not prevent or hinder EWSI's entry to the Customer's premises for any such purpose. Without limiting the generality of the foregoing,

EWSI has the right to enter a Customer's premises at any reasonable hour in order to:

- (i) install, inspect, test, repair or remove Facilities;
  - (ii) perform necessary maintenance to Facilities;
  - (iii) investigate or respond to a Customer complaint or inquiry;
  - (iv) conduct an unannounced inspection where EWSI has reasonable grounds to believe that theft of Water Services or interference with Facilities (including but not limited to a water meter) has occurred or is occurring.
- (b) EWSI will make reasonable efforts to notify the Customer in advance of entering a Customer's premises or to notify any other person who is at the Customer's premises and appears to have authority to permit entry, except:
- (i) in cases of emergency;

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- (ii) where entry is permitted by order of a court or other authority having jurisdiction;
  - (iii) where otherwise legally empowered to enter;
  - (iv) where the purpose of the entry is in accordance with Section 5.2(a)(iv) of these Terms and Conditions.
- (c) EWSI may charge a “no access fee” sufficient to cover EWSI’s reasonable costs, if EWSI’s lawful entry to a Customer’s premises is prevented or hindered, whether by a Customer not keeping a scheduled appointment or for any other cause.

**5.3 Access to Waterworks System**

- (a) A Customer shall be responsible for managing vegetation on the property owned or controlled by the Customer and to maintain adequate clearances to avoid interference with EWSI’s Facilities.
- (b) A Customer shall not obstruct or hinder EWSI’s free and direct access to any Facility, including without limitation any Service Connection, water main, valve, Curb Cock, fire hydrant, meter or meter setting.
- (c) EWSI, in its sole discretion, may consider the presence of a dog to be an obstruction or a hindrance to access to any Facilities and may notify the Customer of any conditions or actions required to enable access to the Facility by appointment with the Customer.
- (d) Where a Customer contravenes any provision of Sections 5.1 or 5.3 and fails to remedy such contravention within ten (10) days after receiving from EWSI a notice in writing to do so, then in addition to any other legal remedy available EWSI may take any steps necessary to remedy the contravention and may charge any costs of so doing to the Customer’s Account.

**5.4 Customer Responsibility for Use of Facilities**

- (a) A Customer shall not use the Waterworks System in a manner that interferes with any other Customer’s use of the Waterworks System. At EWSI’s request, the Customer shall take whatever action is required to correct any interference, disturbance or adverse effect at the Customer’s expense.
- (b) No Customer shall install or allow any Cross Connection that could cause or allow drinking water, in any part of the Waterworks System to become contaminated or polluted in any way.



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- (c) Where EWSI determines that a Cross Connection prohibited by this Section exists, EWSI shall give notice to the Customer to correct the prohibited Cross Connection at the expense of the Customer within the time specified in the notice.
- (d) Where the Customer fails to correct the Cross Connection in accordance with the notice, in addition to any other penalty, EWSI may Turn Off the prohibited supply of water for such time as the Cross Connection continues.
- (e) A Customer will not use water from the Waterworks System, or allow water obtained from the Waterworks System to be used:
  - (i) in an unauthorized manner;
  - (ii) in a manner that will impede water use by other Customer;
  - (iii) unless an Account has been opened by the Customer;
  - (iv) unless the water has first passed through a water meter, except in the case of unmetered Water Service for the construction phase of a development.
- (f) If EWSI finds any unauthorized use of the Service Connection or Water Services or any tampering with a meter, a seal or any other EWSI Facilities or unauthorized connection or reconnection, theft, fraud, or any intentional or unintentional use of water or Water Services whereby EWSI is denied full compensation for the Water Services provided, EWSI may make changes to its meters, or other Facilities or take other corrective action required in order to prohibit the unauthorized use of the Facilities.
- (g) Upon finding any unauthorized use of water, EWSI may Turn Off the Service Connection immediately, without notice and shall charge the Customer all costs incurred in correcting the condition, in addition to any charges for unmetered water consumed and any other rights and remedies which may be available to EWSI.
- (h) A Customer that uses water in contravention of this Section shall pay the following charges:
  - (i) The applicable rate for the water used, in accordance with the Price Schedule, and where necessary due to lack of metered data based on an estimate by EWSI of the amount of water used;
  - (ii) all costs incurred by EWSI in dealing with the contravention;

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- (iii) any other charge, fee or penalty provided by the Price Schedule, these Terms and Conditions and any applicable law or regulation.

**ARTICLE 6 - WATERWORKS SYSTEM EXTENSIONS****6.1 Estimated Cost**

Upon a Customer's request for a new or upgraded Service Connection involving construction of new Facilities or an extension to the Waterworks System, EWSI shall prepare a proposal outlining the estimated cost of the Service Connection including all necessary new Facilities or extensions to the Waterworks System.

EWSI may in its sole discretion decline to construct a Service Connection to premises not abutting a street or right-of-way containing a Water Main.

**6.2 Agreement in Writing for Waterworks System Extension**

A new or upgraded Service Connection involving new Facilities or an extension to the Waterworks System shall not be constructed unless the Customer has executed a Water Services Agreement for the proposal with EWSI.

**6.3 Customer Payment for Waterworks System Extension Costs**

Unless otherwise specified:

- (a) in a Water Services Agreement; or
- (b) under the provisions of a water main cost sharing program offered by EWSI;

the full cost of any new Facilities or extensions to the Waterworks System shall be paid by the Customer whose new or upgraded Service Connection gives rise to the need for the new Facilities or extension to the Waterworks System.

**6.4 Changes to Amount Payable by Customer**

Following construction completion, and placing the new Facilities into pursuant to Article 6 hereof, the amount payable by the Customer will be changed to the actual full cost of the new Facilities. Where the actual full cost exceeds the estimate, EWSI will provide the customer with a written explanation for the change.

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**ARTICLE 7 - WATER SERVICE CONNECTIONS****7.1 Engineering, Design and Construction Requirements for Service Connections**

- (a) Unless otherwise specified in a written agreement between EWSI and the Customer, it is the Customer's responsibility to supply at the Customer's cost:
  - (i) any plans and engineering reports pertaining to the Service Connection that EWSI may reasonably require, signed and sealed by a Professional Engineer;
  - (ii) an engineering report describing the design, construction and materials proposed, including measures to prevent adverse effects of contaminated soils, groundwater, or adverse soil conditions on the Waterworks System;
  - (iii) proof to EWSI's satisfaction, that the Service Connection and the Private Service Line meet all requirements of these Terms and Conditions and the Water Services Guidelines, and conform to the requirements of all applicable legislation and regulations;
  - (iv) in the case of a Service Connection that is 40 mm (1 ½ inches) or larger in diameter, proof of satisfactory bacteriological test results for the service from a laboratory accredited to perform such tests by the Province of Alberta, approved, signed and stamped by a Professional Engineer.
- (b) The Customer shall be responsible for the installation and condition of the Private Service Line and all other piping and equipment or any other assets on the Customer's side of the Service Connection Point.
- (c) The Customer shall determine whether he requires any devices to protect his premises or property from damage that may result from the use of a Service Connection or Water Services. The Customer shall provide and install any such devices at the Customer's sole expense.

**7.2 Multiple Dwellings**

- (a) EWSI may require that each individual Dwelling within a Multiple Dwelling be metered separately and that a separate Account be opened in respect of each such Dwelling, regardless of the number of Service Connections through which water is delivered to the Multiple Dwelling.

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- (b) Where EWSI and a Customer enter into a Water Services Agreement or other agreement in writing that provides for Water Service to a Multiple Dwelling to be delivered through a single Service Connection and measured by a single meter at or downstream of that Service Connection Point, the applicable multi-residential rate in the Price Schedule will apply to the Water Service.
- (c) If a building has more than one self contained unit, served by multiple Private Service Lines or by a Private Service Line with multiple branches, EWSI may require each self contained unit to be metered separately and an Account to be opened in respect of each such meter.

**ARTICLE 8 - METERS****8.1 Installation of Meters**

- (a) Provision and Ownership

EWSI shall supply, install, and seal one or more meters for the purpose of measuring the volume of water delivered to a Customer by way of a Service Connection. Each meter and related metering equipment shall remain the sole property of EWSI, regardless of whether the Customer has paid or reimbursed all or any part of EWSI's costs of supply and installation.

- (b) Responsibility of Customer

Each Customer shall ensure that a location on or in the Customer's premises for meter installation is provided, complete with an EWSI approved meter setting, and that safe and easy access to the meter is provided for the purpose of reading or servicing the meter, in accordance with all applicable requirements of the Water Services Guidelines as amended from time to time. The meter location shall provide protection from freezing and physical damage.

**8.2 Access to Meters**

EWSI may, at any reasonable time, access, read, inspect, remove or test a meter installed on or in property owned or controlled by the Customer.

**8.3 Meter Testing**

- (a) At the request of a Customer, EWSI shall arrange for on-site meter verification and if necessary, shall arrange for a meter to be tested by a person qualified to perform such work. EWSI shall charge a fee for responding to such Customer requests, as set forth in the Price Schedule. If, upon verification and/or testing, the meter is found to be recording accurately (which for this purpose is defined as recording between 97%

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and 103% of actual consumption) then EWSI shall retain the fee. If the meter is found to be recording inaccurately, outside the limits of 97% to 103%, then EWSI will refund the fee to the Customer and make appropriate adjustments to the applicable bills.

- (b) EWSI may at any time inspect or test any meter, on its own initiative, without a Customer request. In such case no fee is payable by the Customer.

### **8.4 Circumvention of Meter**

If under any circumstances, a person other than an employee or agent of EWSI, prevents a meter from accurately recording the total volume of water supplied, EWSI may Turn Off the Water Services or take any other appropriate actions to ensure accurate operation of the meter. In the foregoing circumstances EWSI may estimate the quantity of water supplied but not recorded by the meter. The Customer shall pay the cost of the estimated water consumption plus all costs related to the investigation and resolution of the matter.

### **8.5 Changes to Metering Equipment**

- (a) Upon receipt of a written request by a Customer, EWSI may provide metering services, other than standard metering service, in its discretion, acting reasonably, and may charge separate fees for such services. Following EWSI's acceptance of such a request, EWSI shall supply, install, test and maintain the requested metering equipment. The Customer shall bear the cost of providing and installing the requested metering equipment, and the costs of operation and maintenance.
- (b) The metering equipment shall become the property of EWSI and will be maintained by EWSI. EWSI shall bill the Customer prior to installation and the Customer shall prepay the cost of installation at least fifteen (15) Business Days prior to proposed installation date. If payment is not received by fifteen (15) Business Days prior to the proposed installation date, EWSI shall have no obligation to proceed with the installation.

## **ARTICLE 9 - CHANGES TO SERVICE CONNECTIONS OR OTHER FACILITIES**

### **9.1 Requirement to Give Notice of Changes to Service Requirements**

A Customer shall give to EWSI reasonable prior written notice of any requested change to a Service Connection, to enable EWSI to determine whether or not it can accommodate such revised service without changes to other EWSI Facilities.

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### 9.2 Customer to Bear Cost of Changes to EWSI Facilities

If EWSI determines that any modifications, extensions or additions are required to existing Facilities to accommodate:

- (a) a Customer's request for change to a Service Connection; or
- (b) any material change to a Customer's consumption of water or use of Water Services, regardless of whether the Customer requests a change to the Service Connection

the Customer is obligated to pay the full cost of such modifications, extensions or additions to Facilities, unless otherwise specified in a Water Services Agreement or under the provisions of a water main cost sharing program offered by EWSI.

### 9.3 Adjustment of Curb Cock Casing to Grade

Upon the request of the Customer, EWSI shall within a reasonable time adjust a Curb Cock casing to grade at no charge. The Customer shall be responsible for any loss or damages arising from a Curb Cock casing protruding above grade, where no request for adjustment has been received by EWSI, or where a reasonable time for EWSI to complete the adjustment has not elapsed.

## ARTICLE 10 - SERVICE TURN OFF AND TURN ON

- (a) A Turn Off does not remove the water present in a Customer's Private Service Line, equipment or other assets downstream of the Service Connection Point. It is the Customer's responsibility to drain or to otherwise protect the private assets in a manner suitable for the Customer's purposes following the Turn Off.
- (b) It shall be the Customer's responsibility to monitor the Turned Off supply for residual flow of water and to take any measures necessary to accommodate with any residual flow.

### 10.1 Turn Off at Customer Request

- (a) Temporary Turn Off

Upon the request of the Customer, EWSI may temporarily Turn Off any Service Connection, provided that:

- (i) the Customer is obligated to pay any costs incurred by EWSI as a direct result of a Customer's idle Service Connection that will not otherwise be recovered;

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- (ii) upon a request to restore service, the Customer is obligated to pay any applicable charges outlined under section 10.3; and
- (iii) if the Service Connection remains Turned Off for more than twelve (12) months, it will be considered permanently Turned Off and all costs related to providing a new Service Connection will apply to any request from the same or any other Customer to restore the Service Connection.

(b) **Permanent Turn Off**

If a Customer requests that a Service Connection be permanently Turned Off, or if a permanent Turn Off is deemed to have occurred pursuant to Section 10.1(a)(iii), the Customer billing for that service will be finalized. At the discretion of EWSI, the Facilities provided by EWSI will be removed.

If the Customer subsequently requests that the Service Connection be restored, the Customer must pay all costs associated with the original Turn Off, removal of the Facilities and restoration of the Service Connection.

## **10.2 Turn Off by EWSI**

(a) **Turn Off without Notice**

If EWSI believes there is any actual or potential danger to life or property, or in any other circumstances which in EWSI's sole judgement require such action, EWSI has the right to withhold Turn On or to Turn Off a Customer's Service Connection without prior notice to the Customer. More specifically, and without limitation of the foregoing, EWSI may exercise this right in the event that:

- (i) in the opinion of EWSI, the Customer has permitted the Private Service Line or any other Customer owned equipment or assets to become hazardous or to fail to comply with applicable law, standards and codes and/or EWSI requirements, or if the use of the Service Connection may cause damage to any other Facilities;
- (ii) in the opinion of EWSI, the Private Service Line, or any other Customer owned equipment or assets have or will become unsafe or defective. In this event, the Service Connection may not be restored until the Customer owned assets are approved by the appropriate authority;
- (iii) EWSI discovers or suspects theft by the Customer of any Water Services or EWSI Facilities;

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- (iv) EWSI discovers or suspects any tampering with a meter, a seal or any other EWSI Facilities; or
- (v) the Customer changes requirements for a Service Connection or Water Services without the permission of EWSI.

When the reason for Turn Off is a concern for the health or safety of the Customer, EWSI's employees or agents, or the general public, EWSI will Turn On the service only when the health or safety concern is resolved and when the Customer has provided, or has paid EWSI's costs of providing, services, permits, authorizations, devices or equipment as may be necessary to resolve the health or safety concern. If a Customer's Service Connection is subject to a Turn Off pursuant to this Section 10.2, EWSI shall provide a written explanation to the Customer within a reasonable time after Turn Off, including the reason for Turn Off and the actions required for Turn On.

(b) Turn Off with Notice

EWSI may withhold Turn On or may Turn Off a Customer's Service Connection (without prejudice to any of EWSI's other remedies) after providing forty-eight (48) hours advance notice to the Customer, as applicable, in the following circumstances:

- (i) if the Customer fails to pay any amount due under these Terms and Conditions, except when the Customer has formally initiated a dispute of the amount due, in writing;
- (ii) as required by law;
- (iii) if the Customer is in violation of any of these Terms and Conditions or any of the terms of a Water Services Agreement with EWSI;
- (iv) any other circumstances that EWSI determines, in its sole discretion, acting reasonably, require the withholding Turn On or Turn Off of the Service Connection upon forty-eight (48) hours notice.

### 10.3 Turn On of Service

Before EWSI Turns On or restores service, the Customer shall pay:

- (a) any amount owing to EWSI including written off accounts; and
- (b) a Turn On charge in an amount set out in the Price Schedule.



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**10.4 Removal of Facilities**

Upon termination of service, EWSI shall be entitled to remove any of its Facilities located upon the property of the Customer and to enter upon the Customer's property for that purpose.

**ARTICLE 11 - CLOSING AN ACCOUNT**

Upon receipt of a valid notice to close an Account, EWSI shall make reasonable efforts to read the Customer's meter at a time requested by the Customer. EWSI shall conduct a final reading of the Customer's meter within a reasonable time. The Customer shall pay all fees and charges remaining on the account including all services provided up to the time of the final reading.

**ARTICLE 12 - GENERAL RESTRICTIONS AND PROHIBITIONS**

- (a) Except for water obtained from the Waterworks System which has been enhanced or altered in a lawful manner for resale, no Customer or other person shall resell water obtained from the Waterworks System to any other person except in accordance with the terms and conditions of an executed written agreement with EWSI.
- (b) No Customer or other person shall construct or allow to be constructed more than one Service Connection to any premises without prior written consent of EWSI.
- (c) A Private Service Line must not cross from one separately titled property to another separately titled property even if these properties are owned by the same person.
- (d) No Customer or other person shall install or cause to be installed a branch line or tap between a meter and the Service Connection.
- (e) No person shall take or use water from the Waterworks System in contravention of an Order issued pursuant to the provisions of Section 14.6 of these Terms and Conditions.

**ARTICLE 13 - LIABILITY AND INDEMNIFICATION****13.1 Limitation of EWSI Liability**

- (a) Notwithstanding any other provision of these Terms and Conditions or any provision of any agreement between EWSI and a Customer relating to the provision of Water Services (an "EWSI Agreement") EWSI, its directors,

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officers, agents, employees and representatives (“EWSI Parties”) shall not be liable to the Customer, its directors, officers, agents, employees and representatives (“Customer Parties”) for any loss, injury, damage, expense, charge, cost or liability of any kind suffered or incurred by the Customer Parties, or any of them, whether of a direct, indirect, special or consequential nature, however or whenever caused, and whether in any way caused by or resulting from the acts or omissions of the EWSI Parties, or any of them, except for direct property damages incurred by the Customer as a direct result of a breach of these Terms and Conditions or applicable EWSI Agreement or other act or omission by an EWSI Party, which breach or other act or omission is caused by the gross negligence or intentional tort of such EWSI Party.

- (b) Any liability under this Section will be limited to an amount in proportion to the degree to which the EWSI Party is determined to be at fault. For the purpose of the foregoing and without otherwise restricting the generality thereof, “direct property damage” shall not include loss of revenue, loss of profits, loss of earnings, loss of production, loss of contract, cost of capital, and loss of use of any facilities or property, or any other similar damage or loss whatsoever.
- (c) For greater certainty and without limiting the generality of the foregoing, EWSI is not liable for any loss, damage or physical harm to any person (except where caused by the gross negligence or intentional tort of an EWSI Party) and arising from or caused directly or indirectly, in whole or in part, by:
  - (i) any substandard condition or quality of water caused by any thing occurring downstream of a Service Connection Point;
  - (ii) any failure, defect, fluctuation, reduction or interruption in the provision of Water Services by EWSI to its Customers, whether resulting from the break or malfunction of any watermain, service, meter, Private Service Line or attachment, or from the interruption in or cessation of water supply in connection with the repair or proper maintenance of the Waterworks System or for purposes of water conservation of for any other cause.
- (d) All limitations, protections and exclusions of liability contained in any provincial or federal legislation are in addition to and not in derogation of or substitution for the limitations of EWSI’s liability contained in these Terms and Conditions.

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**Terms and Conditions of Water Service**

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**13.2 Release**

Subject to Section 13.1 above, none of the EWSI Parties (as defined above) will be liable to any of the Customer Parties (as defined above) for any damages, costs, expenses, injuries, losses, or liabilities suffered or incurred by the Customer Parties or any of them, however and whenever caused, and each Customer Party hereby forever releases each of the EWSI Parties from any liability or obligation in respect thereof.

**13.3 EWSI Not Liable to Customer**

For greater certainty and without limitation to the provisions of Sections 13.1 and 13.2, EWSI Parties shall not be liable to a Customer for any damages of any kind (except to the extent the damages are caused by the gross negligence or intentional tort of an EWSI Party) caused by or arising from any EWSI Party's act in compliance with, or as permitted by, these Terms and Conditions, a Water Services Agreement, or any legal or regulatory requirement related to provision of Water Services.

**13.4 Customer Liability**

- (a) In addition to any other liability provisions set out in these Terms and Conditions or any provision in a Water Services Agreement or any other agreement between a Customer and EWSI, a Customer Party (as defined above) shall be liable for any damages, costs, expenses, injuries, losses, or liabilities suffered or incurred by EWSI Parties (as defined above), whether of a direct or indirect nature, caused by or arising from any acts or omissions of an Customer Party that result in a breach ("Breach") of these Terms and Conditions or the applicable agreement, or any negligent or wilful acts or omissions of harm of a Customer Party whether or not they constitute a Breach.
- (b) A Customer shall indemnify and hold EWSI and its employees and agents harmless from and against any claim (including any claim by another Customer of EWSI) for any loss, damage, expense, charge, cost (including legal fees), fine, penalty or other liability of any kind suffered or incurred by EWSI arising out of or in any way connected with
  - (i) any failure by the Customer to comply with these Terms and Conditions,
  - (ii) any damages to EWSI's Facilities or the facilities of another Customer caused by equipment installed or actions taken or failed to be taken by the Customer;

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**Terms and Conditions of Water Service**

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- (iii) any claim, damages, or loss suffered by the Customer as a result of any act or omission of the Agent acting for such Customer.
- (c) Any claim by a Customer for direct losses, damages, expenses, charges, costs or other liabilities not barred or restricted under these Terms and Conditions must be communicated in writing to EWSI within 180 days from the date of occurrence of the incident giving rise to the claim or the date on which the Customer ought reasonably to have become aware of the occurrence or incident, failing which EWSI shall have no liability or responsibility whatsoever to the Customer in respect of the claim.

**13.5 Force Majeure**

- (a) Force Majeure Relief

If an event or circumstance of Force Majeure occurs that affects EWSI's ability to provide a Service Connection or Water Services, EWSI's obligations and responsibilities hereunder and under any agreement relating to Service Connections or provision of Water Services, so far as they are affected by the Force Majeure or the consequences thereof, shall be suspended until such Force Majeure or the consequences thereof are remedied and for such period thereafter as may reasonably be required to restore the Service Connection or Water Services. The Minimum Charge, if applicable, will continue to be payable during the period in which EWSI claims relief by reason of Force Majeure.

- (b) Notice

EWSI shall where practicable give notice of an event of Force Majeure to Customers affected and shall where practicable give notice to Customers affected when the Force Majeure event ceases to prevent performance of EWSI's obligations.

- (c) Obligation to Remedy

EWSI shall promptly remedy the cause and effect of the Force Majeure insofar as it is reasonably able to do so.

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### (d) Strikes and Lockouts

Notwithstanding any other provision of these Terms and Conditions, the settlement of any strike, lockout or other industrial disturbance shall be wholly in the discretion of EWSI and EWSI may settle such strike, lockout or industrial disturbance at such time and on such terms and conditions as it may deem appropriate. No failure or delay in settling such strike, lockout or industrial disturbance shall constitute a cause or event within the control of EWSI or deprive EWSI of the benefits of this Section 13.5.

## ARTICLE 14 - ADDITIONAL PROVISIONS RELATING TO SERVICES

### 14.1 Ownership of Facilities

EWSI remains the owner of all Facilities necessary to provide Water Services to Customers, to and including the Service Connection point, unless an agreement between EWSI and a Customer specifically provides otherwise.

Payment made by a Customer for costs incurred by EWSI in installing Facilities does not entitle the Customer to ownership of any such Facilities, unless an agreement between EWSI and the Customer specifically provides otherwise.

### 14.2 Special Provisions with Respect to City of Edmonton

- (a) EWSI may appoint the City's Infrastructure Services as its sub-contractor or agent for provision of some or all Service Connections required to be carried out by EWSI, provided however that EWSI may rescind or modify the scope of such appointment at any time, and provided also that such appointment does not have the effect of making these Terms and Conditions applicable to the City's Infrastructure Services.
- (b) The City shall not be obligated to pay EWSI for any water supplied by EWSI to the City for firefighting purposes.

### 14.3 Proper Use of Services

The Customers assume full responsibility for the proper use of the Service Connection and Water Services provided by EWSI and for the condition, suitability and safety of any and all Facilities on the Customer's premises or on premises owned by the Customer or premises controlled but not owned by the Customer. The Customer shall be liable for any loss, damage, expense, charge, cost or other liability of any kind, whether to EWSI, its agents or employees, EWSI property or otherwise, arising directly or indirectly by reason of

- (a) the routine presence of water under pressure in the Waterworks System,

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- (b) the routine use of water delivered through the Waterworks System,
- (c) the Customer's improper or negligent use of water or Water Services or Facilities, or
- (d) the negligent acts or omissions or wilful acts or omissions of the Customer or any person permitted on the Customer's property.

**14.4 Compliance with Applicable Legal Authorities**

EWSI and all Customers are subject to, and shall comply with, all applicable federal, provincial and local laws, and all applicable orders or other actions of governmental authorities having jurisdiction. EWSI's obligation to provide or continue to supply a Service Connection or Water Services or to Turn Off a Service Connection or otherwise terminate Water Services, in respect of any Customer, is subject to the condition that all requisite governmental and regulatory approvals for the supply or continued provision of the Service Connection or Water Services or for their Turn Off or termination are obtained and in force.

**14.5 Interference with EWSI's Property**

No one other than an employee or authorized agent of EWSI shall be permitted to remove, operate, or maintain meters and other Facilities owned by EWSI. A Customer shall not interfere with or alter meters, seals, or other Facilities or permit the same to be done by any person other than the authorized agents or employees of EWSI.

**14.6 Service Interruptions and EWSI Obligation to Respond**

- (a) While EWSI takes all reasonable efforts to guard against Water Services interruptions, it does not guarantee uninterrupted Water Services or any particular standard of Water Services. EWSI shall at any time, without liability whatsoever to any Customer, have the right to discontinue or otherwise curtail, interrupt or reduce Water Services to Customers whenever EWSI reasonably determines, or when EWSI is directed by an authority having jurisdiction, that such discontinuance curtailment, interruption or reduction is:
  - (i) necessary to facilitate construction, installation, maintenance, repair, replacement or inspection of any of EWSI's Facilities;
  - (ii) pursuant to non payment of amounts due and payable on a Customer's Account;

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- (iii) necessary to maintain safety and reliability of the Waterworks System; or
  - (iv) due to any other reason including: dangerous or hazardous circumstances, emergencies, forced outages, the need to restrict or regulate water consumption for purposes of conservation of water, shortages or potential shortages of water supply, or Force Majeure.
- (b) EWSI shall use reasonable efforts to;
  - (i) provide notice of any Water Services reduction or interruption;
  - (ii) minimize such interruption duration and occurrences;
  - (iii) schedule planned interruptions as much as possible at times convenient to Customers; and
  - (iv) restore extended service interruptions due to water main breaks, plugged or collapsed water lines or other reasons as soon as practicable.
- (c) EWSI is obligated to make reasonable efforts to respond to a Customer requested service call within a reasonable time, and to minimize Water Service interruptions to Customers. The Customer shall pay the cost of a Customer-requested service call and all related work if the cause of the problem is outside the Waterworks System and is not the direct result of an act or omission of an employee, contractor or agent of EWSI that is grossly negligent or an intentional tort.
- (d) Either EWSI or the City, or both of them jointly, may at any time issue an Order directing all Customers to cease or restrict use of water from the Waterworks System in the manner and for the period of time specified in the Order, and may cause such Order to be publicly disseminated via print or electronic media or by posting on the websites of EWSI or the City. A Customer is deemed to have received notice of such Order and to be aware of its content 24 hours after it is publicly disseminated, or at such sooner time as a copy of the Order is delivered to the Customer's service address as shown in the Customer's account by an employee, agent or other representative of EWSI or of the City.

**14.7 Assignments**

- (a) A Customer shall not assign any of its rights or obligations under these Terms and Conditions or a Water Services Agreement or any other agreement with EWSI relating to a Service Connection or Water Services without obtaining any necessary regulatory approvals and EWSI's approval where required in such agreement. No assignment shall relieve

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the Customer of any of its obligations under these Terms and Conditions until such obligations have been assumed by the assignee and EWSI has agreed to the assignment and novation. Any purported assignment by a Customer in violation of this section shall be void.

- (b) EWSI may assign all or any part of its rights or obligations under these Terms and Conditions or a Water Services Agreement, or any entitlement to payment under any Customer Account, to any Person with or without notice to the Customer.

**14.8 No Waiver**

The failure of EWSI or a Customer to insist upon strict performance of any provision of these Terms and Conditions or a Water Services Agreement or any other agreement between EWSI and the Customer relating to a Service Connection or Water Services, or to take advantage of any of its rights arising therefrom, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or rights. No provision of these Terms and Conditions or a Water Services Agreement or any other agreement between EWSI and a Customer relating to a Service Connection or Water Services shall be deemed to have been waived, and no breach thereof shall be deemed to have been excused, unless such waiver or consent to excuse is in writing and signed by the party claimed to have waived or consented to excuse.

**14.9 Law**

These Terms and Conditions and any Water Services Agreement or other agreement between EWSI and a Customer relating to a Service Connection or Water Services shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable in the Province of Alberta, without regard to principles of conflicts of law. Any legal proceedings arising in connection with these Terms and Conditions or any other agreement relating to a Service Connection or Water Services shall be brought in the courts of the Province of Alberta.



## **Schedule 3**

### **Performance Based Water Rates and Wastewater Treatment Rates**

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**Performance-Based Water Rates and Wastewater Treatment Rates**


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**1.0 5-Year Term with Annual Adjustments Effective Each April 1<sup>st</sup>**

This Schedule 3 sets out the Performance Based Regulation Plan and applies in respect of determinations and adjustments to the rates and charges under this Bylaw for the period from April 1, 2012 to March 31, 2017.

The rates and each component of, or adjustment to, the rates as set out below will be assessed on a calendar year basis. However, to meet the administrative requirements of compiling, verifying and reporting on results, actual rate adjustments will occur on April 1<sup>st</sup> of the year following the forecast year.

**1.1 Consumption Charge**

Commencing April 1<sup>st</sup>, 2012 and for each subsequent year on that date for each customer class of water service identified in Schedule 1 Part I – *Water Rates* and Part IV – *Wastewater Treatment Rates*, the consumption charge shall be adjusted. For each customer class, the rate for the year in which the April 1<sup>st</sup> adjustment takes effect (hereinafter called the “Current Year”) will be determined by the formula:

$$R_P \times (1 + I_D) \times (1 + I_F - 0.25\%) + R_S$$

Where,

- $R_P$  means the rate that was in effect for a customer class during the 12 months immediately preceding April 1 of the Current Year;
- $I_D$  means the difference between the forecast rate of inflation and the actual rate of inflation for the calendar year immediately preceding the Current Year;
- $I_F$  means the forecast rate of inflation for the Current Year;
- $R_S$  means the rate for a special rate adjustment as described in Sections 2.3 and 2.4 of this Schedule 3.

**1.2 Fixed Monthly Service Charge**

Commencing April 1<sup>st</sup>, 2012 and for each subsequent year on that date, for each customer class of water service identified in Schedule 1 Part I – *Water Rates* and for each customer class of wastewater treatment service identified in Schedule 1 Part IV – *Wastewater Treatment Rates* the fixed

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**Performance-Based Water Rates and Wastewater Treatment Rates**


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monthly service charge shall be adjusted in respect of the Current Year. The rate for the Current Year will be determined by the formula:

$$R_P \times (1 + I_D) \times (1 + I_F - 0.25\%) + R_S + Z$$

Where,

- $R_P$  means the rate that was in effect for a customer class during the 12 months immediately preceding April 1 of the Current Year, before any non-routine adjustments are applied,
- $I_D$  means the difference between the forecast rate of inflation and the actual rate of inflation for the calendar year immediately preceding the Current Year,
- $I_F$  means the forecast rate of inflation for the Current Year,
- $R_S$  means the rate for a special rate adjustment as described in Sections 2.3 and 2.4 of this Schedule 3.
- $Z$  means a non-routine adjustment as described in Section 5.0 of this Schedule 3.

### 1.3 Wastewater Overstrength Surcharges

Commencing April 1<sup>st</sup>, 2012 and for each subsequent year on that date, the Wastewater Overstrength Surcharge and Wastewater Additional Overstrength Surcharge identified in Schedule 1 Part IV – *Wastewater Treatment Rates*, shall be adjusted. For each customer class, the rate for the year in which the April 1<sup>st</sup> adjustment takes effect (hereinafter called the “Current Year”) will be determined by the formula:

$$R_P \times (1 + I_D) \times (1 + I_F - 0.25\%) + R_S$$

Where,

- $R_P$  means the rate that was in effect during the 12 months immediately preceding April 1 of the Current Year;
- $I_D$  means the difference between the forecast rate of inflation and the actual rate of inflation for the calendar year immediately preceding the Current Year;
- $I_F$  means the forecast rate of inflation for the Current Year;
- $R_S$  means the rate for a special rate adjustment as described in Section 2.4 of this Schedule 3.

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**Performance-Based Water Rates and Wastewater Treatment Rates**

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**2.0 Routine Adjustments**

Each year, the following factors or adjustments will be used to determine appropriate adjustments to the fixed monthly service charge, consumption charge and/or wastewater overstrength surcharges payable for Water Services and Wastewater Treatment Services:

- a) Inflation Factor;
- b) Efficiency Factor;
- c) Special Rate Adjustments.

The calculation and application of these factors or adjustments are described in subsections 2.1 to 2.4 below.

**2.1 Inflation Factor**

The fixed monthly service charge and consumption charge will be subject to an annual adjustment based upon a forecast of the rate of inflation supported by a report from an independent third party expert. For the purposes of this adjustment calculation, “inflation” will be determined on the basis of two components:

(S.3, Bylaw 16144, July 4, 2012)

- a) a Consumer Price Index (“CPI”) component, weighted at 65%, and
- b) a Labour Cost component, weighted at 35%.

Once the calendar year is complete and the actual rate of inflation is known, the charges for the subsequent year will include an adjustment to correct for the difference between the forecast and actual rate of inflation for the calendar year. As the index utilized for the actual Labour Cost component may not be available for the complete calendar year, the consecutive 12 month period for which the index utilized for the Labour Cost component is most recently available is used as a substitute for the calendar year for purposes of the Labour Cost component inflation adjustment.

(S.4, S.5, Bylaw 16144, July 4, 2012)

Both CPI and the Labour Cost components are available and verifiable:

1. The actual CPI component for a given year will be the change in the CPI for Alberta. This measure is identified as the annual growth in Consumer Price Index (CPI): Statistics Canada CANSIM Series V41694625 – CPI, 2005 Basket, 2002 = 100, Alberta, All Items. Any publication issued by Statistics Canada which is intended to replace,

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supersede or otherwise revise this measure will be used in substitution for it, in performing the inflation calculation.  
(S.6, Bylaw 16144, July 4, 2012)

2. The actual labour cost component for a given year will be the annual growth in Average Hourly Earnings (AHE) for salaried employees (paid a fixed salary), including overtime, unadjusted for seasonal variation for selected industries classified using the North American Industry Classification System (NAICS), for Alberta, Industrial Aggregate (excluding unclassified businesses), based on the monthly Statistics Canada CANSIM Series V1603533. The annual growth in the AHE will be calculated based on the year-over-year percentage change from the AHE in the preceding year to the AHE in the given year, where:

- AHE in the given year is the average of the most recent twelve consecutive months of series V1603533 available (and not including preliminary data) when EWSI finalizes its annual rate application for submission to the City Manager on or before March 1; and
- AHE in the preceding year is the average of the preceding twelve consecutive months of series V1603533.

Any publication issued by Statistics Canada which is intended to replace, supersede or otherwise revise this measure will be used in substitution for it, in performing the inflation calculation.  
(S.7, Bylaw 16144, July 4, 2012)

As an exception to the inflation adjustment factor, if the forecast rate of inflation for a calendar year is 1.75% or lower, EWSI may prepare a financial plan to demonstrate the need for a unit rate increase other than 1.5%. The inflation rate in the financial plan will be a surrogate for the value of  $I_D$ .

As a further exception to the inflation adjustment factor, if the forecast rate of inflation is greater than 5.0% for a calendar year, EWSI may prepare a financial plan demonstrating the appropriateness of a unit rate increase less than the forecast rate of inflation minus 0.25%. The inflation rate in the plan will be a surrogate for the value of  $I_D$ .

## **2.2 Efficiency Factor**

For purposes of rate adjustments, after the inflation rate has been calculated pursuant to the provisions of Section 2.1 of this Schedule it will be reduced by 0.25% referred to as the "Efficiency Factor". If, however, the

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actual inflation rate calculated as aforesaid is 1.75% or lower, no Efficiency Factor will be applied.

**2.3 Special Rate Adjustments for Water Services**

Two separate special rate adjustments are applied to water rates: (i) the Special Rate Adjustments for Re-Basing and (ii) the Special Rate Adjustments for the Accelerated Water Main Renewal Program ("AWMR").

**2.3.1 Special Rate Adjustments for Re-Basing**

In each of the years 2012 and 2013 (affecting Rates payable by Customers for the time periods April 1, 2012 to March 31, 2013 and April 1, 2013 to March 31, 2014, respectively) Special Rate Adjustments for Re-Basing will be added to the Consumption Charge and Fixed Monthly Service Charge in Schedule 1, Part I – *Water Rates*. These Special Rate Adjustments for Re-Basing are required to re-base the water rates for the 2012-2016 period.

The Special Rate Adjustments for Re-Basing will be applied in respect of 2012 and 2013 Rates after the Inflation and Efficiency factors have been calculated and applied for those years, and are in addition to any Non-Routine Adjustments applicable to those years. After the Special Rate Adjustments for Re-Basing have been factored into the 2012 and 2013 Rates, these adjustments will continue to form part of the basic Consumption Charges and Fixed Monthly Service Charges for Water Services in all subsequent years, to which the annual Routine Adjustment Factors set out in subsections 2.1 and 2.2 above will be applied.

The Special Rate Adjustments for Re-Basing applied to water rates for the years 2012 and 2013 applied to the Consumption Charges for each customer class and the Fixed Monthly Service Charges applied to each meter size are as follows:

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**Performance-Based Water Rates and Wastewater Treatment Rates**


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| <b>Consumption Charge<br/>(per cubic meter (m<sup>3</sup>))</b> | <b>2012 Special<br/>Rate<br/>Adjustment</b> | <b>2013 Special<br/>Rate<br/>Adjustment</b> |
|---|---|---|
| Residential   |   |   |
| 0 – 10 m <sup>3</sup>   | -   | \$0.0696                                    |
| 10 – 35 m <sup>3</sup>  | \$0.0997                                    | \$0.0760                                    |
| Over 35 m <sup>3</sup>  | \$0.3980                                    | \$0.0960                                    |
| Multi-Residential   |   |   |
| 0 – 100 m <sup>3</sup>  | \$0.0621                                    | \$0.0675                                    |
| 100.1 – 1000 m <sup>3</sup>                                     | \$0.0520                                    | \$0.0565                                    |
| Over 1000 m <sup>3</sup>  | \$0.0429                                    | \$0.0467                                    |
| Commercial  |   |   |
| 0 – 25 m <sup>3</sup>   | \$0.0487                                    | \$0.0530                                    |
| 25 – 100 m <sup>3</sup>   | \$0.0487                                    | \$0.0530                                    |
| 100.1 – 1000 m <sup>3</sup>                                     | \$0.0449                                    | \$0.0488                                    |
| 1000.1 - 5000 m <sup>3</sup>                                    | \$0.0355                                    | \$0.0387                                    |
| Over 5000 m <sup>3</sup>  | \$0.0286                                    | \$0.0311                                    |
| <b>Fixed Monthly Service Charge<br/>(based on meter size)</b>   |   |   |
| 15 mm   | \$0.26                                      | \$0.28                                      |
| 20 mm   | \$0.36                                      | \$0.38                                      |
| 25 mm   | \$0.51                                      | \$0.54                                      |
| 40 mm   | \$0.88                                      | \$0.94                                      |
| 50 mm   | \$1.18                                      | \$1.25                                      |
| 75 mm   | \$2.34                                      | \$2.49                                      |
| 100 mm  | \$4.27                                      | \$4.55                                      |
| 150 mm  | \$8.00                                      | \$8.52                                      |
| 200 mm  | \$12.71                                     | \$13.54                                     |
| 250 mm  | \$29.71                                     | \$31.64                                     |
| 300 mm  | \$29.71                                     | \$31.64                                     |
| 400 mm  | \$35.52                                     | \$37.83                                     |
| 500 mm  | \$38.25                                     | \$40.73                                     |

### 2.3.2 Special Rate Adjustments for the Accelerated Water Main Renewal (“AWMR”) Program

In each of the years 2012, 2013, 2014, 2015 and 2016 (affecting water rates payable by Customers for the time periods April 1, 2012 to March 31, 2013, April 1, 2013 to March 31, 2014, April 1, 2014 to March 31, 2015, April 1, 2015 to March 31, 2016 and April 1, 2016 to March 31, 2017 respectively) Special Rate Adjustments for the AWMR Program will be added to the Consumption Charge in Schedule 1, Part I – *Water Rates*. These Special Rate Adjustments for the AWMR Program are required to recover the \$20 million per year capital expenditures planned under the AWMR Program for all five years of the 2012-2016 PBR.

The Special Rate Adjustments for the AWMR Program will be applied in respect of 2012, 2013, 2014, 2015 and 2016 water rates after the Inflation and Efficiency factors have been calculated and applied for



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those years, and are in addition to any Non-Routine Adjustments applicable to those years. After the Special Rate Adjustments for the AWMR Program have been factored into the 2012, 2013, 2014, 2016 and 2016 water rates, these adjustments will continue to form part of the basic Consumption Charges for Water Services in all subsequent years, to which the annual Routine Adjustment Factors set out in subsections 2.1 and 2.2 above will be applied.

The Special Rate Adjustments for the AWMR Program applied to water rates for the years 2012, 2013, 2014, 2015 and 2016 applied to the Consumption Charges for each customer class are as follows:

| Consumption Charge<br>(per m <sup>3</sup> ) | Accelerated Water Main Renewal Program |                                    |                                    |                                    |                                    |
|---|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|   | 2012 Special<br>Rate<br>Adjustment     | 2013 Special<br>Rate<br>Adjustment | 2014 Special<br>Rate<br>Adjustment | 2015 Special<br>Rate<br>Adjustment | 2016 Special<br>Rate<br>Adjustment |
| Residential                                 |  |                                    |                                    |                                    |                                    |
| 0 – 10 m <sup>3</sup>                       | -                                      | \$0.0168                           | \$0.0182                           | \$0.0171                           | \$0.0168                           |
| 10 – 35 m <sup>3</sup>                      | \$0.0523                               | \$0.0183                           | \$0.0199                           | \$0.0187                           | \$0.0183                           |
| Over 35 m <sup>3</sup>                      | \$0.2090                               | \$0.0231                           | \$0.0252                           | \$0.0236                           | \$0.0232                           |
| Multi-Residential                           |  |                                    |                                    |                                    |                                    |
| 0 – 100 m <sup>3</sup>                      | \$0.0326                               | \$0.0163                           | \$0.0177                           | \$0.0166                           | \$0.0163                           |
| 100.1 – 1000 m <sup>3</sup>                 | \$0.0273                               | \$0.0136                           | \$0.0148                           | \$0.0139                           | \$0.0136                           |
| Over 1000 m <sup>3</sup>                    | \$0.0225                               | \$0.0112                           | \$0.0122                           | \$0.0115                           | \$0.0113                           |
| Commercial                                  |  |                                    |                                    |                                    |                                    |
| 0 – 25 m <sup>3</sup>                       | \$0.0256                               | \$0.0128                           | \$0.0139                           | \$0.0130                           | \$0.0128                           |
| 25 – 100 m <sup>3</sup>                     | \$0.0256                               | \$0.0128                           | \$0.0139                           | \$0.0130                           | \$0.0128                           |
| 100.1 – 1000 m <sup>3</sup>                 | \$0.0236                               | \$0.0118                           | \$0.0128                           | \$0.0120                           | \$0.0118                           |
| 1000.1 - 5000 m <sup>3</sup>                | \$0.0187                               | \$0.0093                           | \$0.0101                           | \$0.0095                           | \$0.0093                           |
| Over 5000 m <sup>3</sup>                    | \$0.0150                               | \$0.0075                           | \$0.0082                           | \$0.0076                           | \$0.0075                           |

#### 2.4 Special Rate Adjustments for Wastewater Treatment Services

In each of the years 2012, 2013, 2014, 2015 and 2016 (affecting wastewater treatment rates payable by Customers for the time periods April 1, 2012 to March 31, 2013, April 1, 2013 to March 31, 2014, April 1, 2014 to March 31, 2015, April 1, 2015 to March 31, 2016 and April 1, 2016 to March 31, 2017 respectively) the Special Rate Adjustments for Wastewater Treatment Services will be added to the Consumption Charge, Fixed Monthly Service Charge, the Wastewater Overstrength Surcharge, and the Wastewater Additional Overstrength Surcharge in Schedule 1, Part IV – *Wastewater Treatment Rates*.

The Special Rate Adjustments for Wastewater Treatment Services will be applied in respect of 2012, 2013, 2014, 2015 and 2016 wastewater treatment rates after the Inflation and Efficiency factors have been calculated and applied for those years, and are in addition to any Non-Routine Adjustments applicable to those years. After the Special Rate Adjustments for Wastewater Treatment Services have been factored into

### Performance-Based Water Rates and Wastewater Treatment Rates

the 2012, 2013, 2014, 2016 and 2016 wastewater treatment rates, these adjustments will continue to form part of the basic Consumption Charge, Fixed Monthly Service Charge, and Wastewater Overstrength and Wastewater Additional Overstrength Surcharges for Wastewater Treatment Services in all subsequent years, to which the annual Routine Adjustment Factors set out in subsections 2.1 and 2.2 above will be applied.

The Special Rate Adjustments for Wastewater Treatment Services applied to wastewater treatment rates for the years 2012, 2013, 2014, 2015 and 2016 applied to the Consumption Charge for each customer class, the Fixed Monthly Service Charge and Wastewater Overstrength and Wastewater Additional Overstrength Surcharges are as follows:

| <b>Consumption Charge<br/>(per m<sup>3</sup>)</b>       | <b>2012 Special<br/>Rate<br/>Adjustment</b> | <b>2013 Special<br/>Rate<br/>Adjustment</b> | <b>2014 Special<br/>Rate<br/>Adjustment</b> | <b>2015 Special<br/>Rate<br/>Adjustment</b> | <b>2016 Special<br/>Rate<br/>Adjustment</b> |
|---|---|---|---|---|---|
| Residential<br>All consumption                          | \$0.0318                                    | \$0.0344                                    | \$0.0371                                    | \$0.0401                                    | \$0.0433                                    |
| Commercial<br>0 – 10,000 m <sup>3</sup>                 | \$0.0318                                    | \$0.0344                                    | \$0.0371                                    | \$0.0401                                    | \$0.0433                                    |
| 10,000.1 – 100,000 m <sup>3</sup>                       | \$0.0246                                    | \$0.0266                                    | \$0.0287                                    | \$0.0310                                    | \$0.0335                                    |
| Over 100,000 m <sup>3</sup>                             | \$0.0128                                    | \$0.0139                                    | \$0.0150                                    | \$0.0162                                    | \$0.0175                                    |
|   |   |   |   |   |   |
| <b>Fixed Monthly Service Charge</b>                     | <b>\$0.17</b>                               | <b>\$0.18</b>                               | <b>\$0.19</b>                               | <b>\$0.21</b>                               | <b>\$0.23</b>                               |
|   |   |   |   |   |   |
| <b>Wastewater Overstrength<br/>Surcharge</b>            |   |   |   |   |   |
| a) BOD  | \$0.0199                                    | \$0.0215                                    | \$0.0233                                    | \$0.0251                                    | \$0.0272                                    |
| b) COD  | \$0.0199                                    | \$0.0215                                    | \$0.0233                                    | \$0.0251                                    | \$0.0272                                    |
| c) oil and grease                                       | \$0.0174                                    | \$0.0188                                    | \$0.0203                                    | \$0.0220                                    | \$0.0237                                    |
| d) phosphorous  | \$0.1659                                    | \$0.1792                                    | \$0.1936                                    | \$0.2091                                    | \$0.2259                                    |
| e) suspended solids                                     | \$0.0181                                    | \$0.0196                                    | \$0.0211                                    | \$0.0228                                    | \$0.0246                                    |
| f) total kjeldahl nitrogen                              | \$0.0423                                    | \$0.0457                                    | \$0.0494                                    | \$0.0534                                    | \$0.0577                                    |
|   |   |   |   |   |   |
| <b>Wastewater Additional<br/>Overstrength Surcharge</b> |   |   |   |   |   |
| a) BOD  | \$0.0199                                    | \$0.0215                                    | \$0.0233                                    | \$0.0251                                    | \$0.0272                                    |
| b) COD  | \$0.0199                                    | \$0.0215                                    | \$0.0233                                    | \$0.0251                                    | \$0.0272                                    |
| c) oil and grease                                       | \$0.0174                                    | \$0.0188                                    | \$0.0203                                    | \$0.0220                                    | \$0.0237                                    |
| d) phosphorous  | \$0.1659                                    | \$0.1792                                    | \$0.1936                                    | \$0.2091                                    | \$0.2259                                    |
| e) suspended solids                                     | \$0.0181                                    | \$0.0196                                    | \$0.0211                                    | \$0.0228                                    | \$0.0246                                    |
| f) total kjeldahl nitrogen                              | \$0.0423                                    | \$0.0457                                    | \$0.0494                                    | \$0.0534                                    | \$0.0577                                    |

### 3.0 Water System Service Quality

Water System Service Quality is measured by the results of five indices described in this Section 3.0 and in the document entitled "Water Quality,

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**Performance-Based Water Rates and Wastewater Treatment Rates**


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Environmental and Safety Indices Applicable to Schedule 3 of the EPCOR Water and Wastewater Bylaw”, as that document may be revised from time to time by agreement between the City Manager and EWSI.

Performance under each index is measured independently on a point basis with 100 base points available if the standards in all five areas are achieved. In total, up to 10% additional bonus points for performance above the standard is possible. These bonus points are described below within each index.

For each full point scored below 100 base and bonus points, a penalty of \$67,000 will be assessed to a maximum of \$1,000,000. There is no reward for performance above 100 base and bonus points. For purposes of these calculations, point amounts will be rounded to the nearest tenth of a point and calculated on a calendar year basis.

The total penalty for the year will be applied as a rebate to customers in the year immediately following the performance year.

### **3.1 System Reliability Index**

The system reliability index is a measure calculated on the basis of five equally weighed components. The combined results of the five components produce the measure of the system reliability index. The system reliability index is calculated under the following formula with a maximum base value of 25 base points.

$$25 \times \frac{\text{MBF} + \text{MRF} + \text{PIF} + \text{WPF} + \text{WLF}}{5}$$

Where,

- MBF means the water main break factor,
- MRF means the water main break repair duration factor,
- PIF means the planned construction impact factor,
- WPF means water pressure factor; and
- WLF means the water loss factor.

A maximum of 3.5 bonus points are available for the system reliability index based on the formula. The maximum total system reliability index points is 28.5.

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**Performance-Based Water Rates and Wastewater Treatment Rates**


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**3.1.1 Water Main Break Factor**

The water main break factor is measured by the formula:

$$1 - \frac{(MB_C - 574)}{574}$$

Where,

$MB_C$  means the number of water main breaks that occurred in the reporting period.

**3.1.2 Water Main Break Repair Duration Factor**

The water main break repair duration factor is measured by the formula:

$$\frac{MR_C}{93.7\%}$$

Where,

$MR_C$  means the actual number of times that EWSI repairs water main breaks, excluding those on arterial or collector roads, within 24 hours from the time the flow of water is shut off (i.e. the time of customer interruption) as a percentage of total water main breaks resulting in customer interruption that are confirmed by EWSI annually.

**3.1.3 Planned Construction Impact Factor**

The planned construction impact factor is measured by the formula:

$$\frac{PIF_C}{95.0\%}$$

Where,

$PIF_C$  means the actual number of times that EWSI complies with required construction notification procedures as a percentage of the total planned construction events.

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**Performance-Based Water Rates and Wastewater Treatment Rates**


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**3.1.4 Water Pressure Factor**

The water pressure factor is measured by the formula:

$$1 - \frac{(WP_C - 5) \times 0.2}{5}$$

Where,

$WP_C$  means the number of occurrences within the reporting period where water pressure fell below 140 kPa for two or more consecutive 15 minute periods.

**3.1.5 Water Loss Factor**

The water loss factor is measured by the formula:

$$1 - \frac{ILI - 3.0}{3.0}$$

Where,

ILI means the Infrastructure Leakage Index, a performance indicator quantifying how well a water distribution system is managed for the control of real (leakage) water losses.

To calculate the ILI, EWSI will apply the calculation recommended in the American Water Works Association (AWWA) manual M36 "Water Audits and Loss Control Programs", or any publication issued by the AWWA which is intended to replace this manual. This factor will be calculated based on prior year's information due to a time lag from when final values for all the parameters used to calculate the ILI can be obtained and when the Water System Service Quality results for a year are required to be reported under this Bylaw.

**3.2 Water Quality Index**

The maximum base value of this treated water quality index is 25 base points, as calculated under the formula:

$$25 \times \frac{WQ_C}{99.6\%}$$

Where,

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**Performance-Based Water Rates and Wastewater Treatment Rates**


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$WQ_C$  means the number of water quality tests taken in the reporting period that do not yield suspect results as a percentage of total tests taken.

A maximum of 0.5 bonus points are available for the water quality index based on the formula. The maximum total water quality index points is 25.5.

### **3.3 Customer Service Index**

The customer service index is the measure of three weighed components. The combined results of the three components produce the measure of the customer service index. The customer service index is calculated under the following formula with a maximum base value of 20 base points.

$$20 \times \frac{PAF + RTF + HSF}{3}$$

Where,

PAF means the post service audit factor,

RTF means the response time factor; and,

HSF means the home-sniffing factor.

A maximum of 3 bonus points are available for the customer service index based on the formula. The maximum total system reliability points is therefore 23.

#### **3.3.1 Post Service Audit Factor**

The post service audit factor is measured by the formula:

$$\frac{PA_C}{74.0\%}$$

Where,

$PA_C$  means the percentage results of the customer satisfaction.

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**Performance-Based Water Rates and Wastewater Treatment Rates**


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**3.3.2 Response Time Factor**

The response time factor is measured by the formula:

$$1 - \frac{RTC - 25}{25}$$

Where,

RTC means the average number of minutes to confirm a water main break once a call is received at the EWSI dispatch office.

**3.3.3 Home Sniffing Factor**

The home sniffing factor is measured by the formula:

$$\frac{HSC}{93.8\%}$$

Where,

HSC means the percentage result of customer satisfaction for the home sniffing survey.

**3.4 Environmental Index**

The environmental index measures the success of programs and policies designed to mitigate and report adverse environmental impacts. The index is a measure calculated on the basis of five weighed components. The combined results of the five components produce the measure of the environmental index. The environmental index is calculated under the following formula with a maximum base value of 15 base points.

$$15 \times EC$$

Where,

EC means the results of environment factors.

A maximum of 1.5 bonus points are available for the environmental index. The maximum total environmental points is 16.5.

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**Performance-Based Water Rates and Wastewater Treatment Rates**

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**3.5 Safety Index**

The safety index is a measure of the success of programs and the application of policies that maximizes the safety of employees and the public. It is calculated on the basis of seven weighed components. The combined results of the seven components produce the measure of the safety index. The safety index is calculated under the following formula with a maximum base value of 15 base points.

$$15 \times \text{SAC}$$

Where,

SAC means the results of safety measured.

A maximum of 1.5 bonus points are available for the safety index. The maximum total safety points is 16.5.

**4.0 Wastewater Treatment Service Quality**

Wastewater Treatment System Service Quality is measured by the results of five indices described in this Section 4.0 and in the document entitled "Water Quality, Environmental and Safety Indices Applicable to Schedule 3 of the EPCOR Water and Wastewater Bylaw", as that document may be revised from time to time by agreement between the City Manager and EWSI.

Performance under each index is measured independently on a point basis with 100 base points available if the standards in all five areas are achieved. In total, up to 10% additional bonus points for performance above the standard is possible. These bonus points are described below within each index.

For each full point scored below 100 base and bonus points, a penalty of \$27,000 will be assessed to a maximum of \$400,000. There is no reward for performance above 100 base and bonus points. For purposes of these calculations, point amounts will be rounded to the nearest tenth of a point and calculated on a calendar year basis.

The total penalty for the year will be applied as a rebate to customers in the year immediately following the performance year.



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**Performance-Based Water Rates and Wastewater Treatment Rates**


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**4.1 System Reliability Index**

The system reliability index is a measure of the performance of the Enhanced Primary Treatment (EPT) at the Gold Bar wastewater treatment plant. The maximum base value of this system reliability index is 15 base points, as calculated under the formula:

$$15 \times \frac{\text{EPP}}{75.0\%}$$

Where,

EPP means the enhanced primary performance, measured in percent, that the EPT facility ran during wet weather events where the influent flow rate exceeds the EPT event threshold.

A maximum of 1 bonus point is available for the system reliability index based on the formula. The maximum total system reliability points is 16.

**4.2 Water Quality Index**

The maximum base value of the Wastewater Effluent Limit Performance Index is 40 base points, as calculated under the formula:

$$40 \times \frac{46.0\%}{\text{WELP}}$$

Where,

WELP means the value of the Wastewater Effluent Limit Performance, which measures the percentage of the discharge limit for five parameters in the Gold Bar wastewater treatment plant's final effluent.

A maximum of 4 bonus points are available for the water quality index based on the formula. The maximum water quality index points is 44.

**4.3 Customer Service Index**

The customer service index is calculated based on the response to customer inquiries at the Gold Bar Wastewater Treatment Plant. The maximum value of this system index is 5 base points, as calculated by the formula:

$$5 \times \frac{\text{AP}_{\text{CI}}}{\text{TP}_{\text{CI}}}$$

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**Performance-Based Water Rates and Wastewater Treatment Rates**


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Where:

$AP_{CI}$  = Annual percentage (%) of customer issues responded to within 24 hours of receipt by EPCOR.

$TP_{CI}$  = Target percentage (%) of customer issues responded to within 24 hours of receipt.  
(Target = 90% for 2012 – 2016)

A separate database will be developed to log the customer inquiries and capture the associated response actions.

There are no bonus points available for the customer service index.

#### **4.4 Environmental Index**

The environmental index is a measure calculated on the basis of three equally weighed components. The combined results of the three components produce the measure of the environmental index. The environmental index is calculated under the following formula with a maximum base value of 20 base points.

$$20 \times EC$$

Where,

EC means the results of environment factors.

A maximum of 2 bonus points are available for the environmental index. The maximum total environmental index points is 22.

#### **4.5 Safety Index**

The safety index is a measure of the success of programs and the application of policies that maximizes the safety of employees and the public. It is calculated on the basis of seven weighed components. The combined results of the seven components produce the measure of the safety index. The safety index is calculated under the following formula with a maximum base value of 20 base points.

$$20 \times SAC$$

Where,

SAC means the results of safety measured.

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**Performance-Based Water Rates and Wastewater Treatment Rates**

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A maximum of 3 bonus points are available for the safety index. The maximum total safety index points is 23.

**5.0 Non-Routine Adjustments**

Non-routine adjustments are, by their nature unusual, significant in size or nature and beyond the scope of control of EWSI. Requests for non-routine adjustments will be considered separately for each of Water Services and Wastewater Treatment Services.

Costs resulting in an annual adjustment to EWSI's revenue requirement up to \$500,000 are not eligible for approval as a non-routine adjustment. Costs resulting in either an annual adjustment to EWSI's revenue requirement less than \$3 million but either greater than \$500,000 or greater than \$1 million cumulatively are eligible for consideration and approval by the City Manager as a non-routine adjustment. Costs resulting in an annual adjustment to EWSI's revenue requirement equal to or greater than \$3 million are eligible for consideration and approval by City Council. Review of the non-routine adjustment application will consider the projected return on equity of EWSI.

If EWSI anticipates making a request for one or more non-routine adjustments to take effect on April 1 of the Current Year, EWSI will on or before December 1 of the immediately preceding calendar year submit its request for non-routine adjustments to the City Manager, and will include with such request sufficient information to enable the City Manager / City Council to evaluate the request. If after receiving the submission, the City Manager / City Council is satisfied that the non-routine adjustments should be included in the water rates and/or wastewater treatment rates calculated in accordance with this Bylaw, the City Manager will issue a confirmation letter on or before January 31 confirming that the non-routine adjustments will be included in water and/or wastewater treatment rates to take effect on the April 1<sup>st</sup> next following.

Where a non-routine adjustment is very significant in size, it may be charged to Adjustment Deferral Account. EWSI will determine a reasonable time frame over which to recover/credit the balance of the account. Carrying costs will be calculated on the Adjustment Deferral Account balance.

The rate impact of non-routine adjustments will be calculated and added to the Fixed Monthly Service Charge and allocated on a proportionate basis to customers.

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**Performance-Based Water Rates and Wastewater Treatment Rates**

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**5.1 Changes to Legislation, Regulation or Taxes**

In the event there is a change to: legislation, regulation, bylaws, policy order or directive affecting EWSI's operations, including allocation of costs between city of Edmonton and Regional customers and including the common law and the law of equity; rates of tax or other mandatory amounts payable by EWSI to any level of government; the status of EWSI under existing legislation or the application of existing legislation to EWSI; then costs arising from any such event will be considered as non-routine.

**5.2 Consequences of Force Majeure**

Non-routine adjustments include any costs occasioned by Force Majeure events that are not recovered under a policy of insurance. For purposes of non-routine adjustments under this Schedule 3, events or circumstances of Force Majeure include: acts of God, strikes, lockouts or other industrial disturbances, acts of the Queen's enemies, wars, blockades, insurrections, riots, epidemics, landslides, lightning, floods, earthquakes, explosions, fires, civil disturbances, mechanical breakdowns, regulatory requirements or approval conditions or other acts or interventions of any kind by federal, provincial, state or local governments or any of their agencies or boards, the order or direction of any court, and any other causes whether of the kind herein enumerated or otherwise, not within the reasonable control of EWSI and which by the exercise of reasonable diligence and at a reasonable cost EWSI is unable to prevent or overcome.

**5.3 River Water Quality**

If there is a significant change in river water quality to the extent that it affects EWSI's operating or capital costs, such costs will be considered as non-routine.

**5.4 Deterioration of Waterworks or Wastewater Treatment Systems**

If there is significant deterioration to the Waterworks System or Wastewater Treatment facilities, beyond reasonable projections, remediation costs will be considered as non-routine.

**5.5 Customer – initiated or City – initiated System Expansion**

Costs incurred to create significant Waterworks System expansion or wastewater treatment facility expansion as a result of increases to the size of EWSI's Customer base and/or increased demand by Customers or the City for Water Services or Wastewater Treatment Services, beyond reasonable projections, will be considered as non-routine.

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**Performance-Based Water Rates and Wastewater Treatment Rates**

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**5.6 City - initiated Relocations of Waterworks Assets**

Costs incurred to effect significant Waterworks System relocations, permanent or temporary moves or removals as a result of City requests will be considered as non-routine.

**5.7 Franchise Fees**

If there is an amendment to the Water Services Franchise Agreement or the Wastewater Treatment Franchise Agreement affecting water rates or wastewater treatment rates, the resultant impacts on the water rates and wastewater treatment rates will be deemed to be non-routine adjustments.

**6.0 Off-Ramp**

This performance-based water and wastewater treatment regulation can be terminated with the mutual consent and agreement of EWSI and the City.

In the event of termination of this Performance-Based Regulation Plan, the balance of the Adjustment Deferral Account must be cleared within a one-year period from the date of termination.

**7.0 Reporting and Filing Requirements**

On March 1<sup>st</sup> of the year following the reporting year, EWSI will file with its regulator, the City, an *Annual Water Rate and Wastewater Treatment Rate Filing*. The filing will contain four parts:

- An audit report as outlined in Schedule 4;
- Rate Sheets - The water rate and wastewater treatment rate forecast for each customer class of service for the period following the reporting period; and,
- Water System Service Quality Results - The results of each of the components of the water system service quality indices.
- Wastewater Treatment Service Quality Results - The results of each of the components of the wastewater treatment service quality indices.

An accountant will review the *Annual Water Rate and Wastewater Treatment Rate Filing*, conduct an audit and prepare an audit report in accordance with the recommendations contained within Section 5805 of the Canadian Institute of Chartered Accountants Handbook. The audit report will address whether the water rates and wastewater treatment

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**Performance-Based Water Rates and Wastewater Treatment Rates**

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rates are calculated and presented in accordance with the requirements of this Bylaw.

The filing will be submitted to the City Manager. The City Manager will review the filing and, if appropriate, accept it prior to April 1<sup>st</sup> when adjusted rates come into effect. The filing, and the City Manager approval, will be posted on the EWSI web site and copies will be available at the business office of EWSI.

**7.1 Rate Sheets**

The Annual Water Rate and Wastewater Treatment Rate Filing will set out the water rate and wastewater treatment rate forecast for each customer class of service for the period following the reporting period. The rates will be calculated in accordance with this Bylaw.

**7.2 Water System Service Quality & Wastewater Treatment Service Quality Results**

The *Annual Water Rate and Wastewater Treatment Rate Filing* will contain the results of the water system service quality measures, the results of the wastewater treatment service quality measures and the resulting financial penalty, if any, as set out in this Bylaw.

## **Schedule 4**

### **Pro-forma Annual Water Rate and Wastewater Treatment Rate Filing**

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**Residential Water Service**

|                        |   |  |                         |
|------------------------|---|--|-------------------------|
| <b>Applicable</b>      | To all domestic water service customers within the city of Edmonton   |  |                         |
|                        | A domestic service is defined as a service supplied to premises used primarily for domestic purposes, where no more than four separate dwelling units are metered by a single water meter and the service line to the premises is not greater than 50 millimeters in diameter.  |  |                         |
|                        | If a business is conducted from premises that otherwise fall within the above definition of a domestic service, this Residential Water Service rate will apply; provided, however, that if the portion of the premises from which the business is conducted is separately metered, then a Commercial Water Service rate will apply to that portion of the premises. |  |                         |
| <b>Rate</b>            | <b>Fixed Monthly Service Charge</b><br>See Fixed Monthly Water Service Charges  |  |                         |
|                        | <b>Consumption Charge</b>   |  |                         |
|                        | 0 m <sup>3</sup> – 10.0 m <sup>3</sup>  |  | \$ λ per m <sup>3</sup> |
|                        | 10.1 m <sup>3</sup> to 35.0 m <sup>3</sup>  |  | \$ λ per m <sup>3</sup> |
|                        | Over 35.0 m <sup>3</sup>  |  | \$ λ per m <sup>3</sup> |
| <b>Effective Dates</b> | These rates effective April 1, 20λλ to March 31, 20λλ are subject to change in future years under the terms of this bylaw.  |  |                         |

**Multi-Residential Water Service**

|                        |   |  |                         |
|------------------------|---|--|-------------------------|
| <b>Applicable</b>      | To all multi-residential service customers within the city of Edmonton  |  |                         |
|                        | A multi-residential service is defined as a service supplied to premises used primarily for domestic purposes; where more than four separate dwelling units are metered by a single water meter.  |  |                         |
|                        | If a business is conducted from premises that otherwise fall within the above definition of a multi-residential service, this Multi-Residential Water Service rate will apply; provided, however, that if the portion of the premises from which the business is conducted is separately metered, then a Commercial Water Service rate will apply to that portion of the premises |  |                         |
| <b>Rate</b>            | <b>Fixed Monthly Service Charge</b><br>See Fixed Monthly Water Service Charges  |  |                         |
|                        | <b>Consumption Charge</b>   |  |                         |
|                        | 0 m <sup>3</sup> – 25 m <sup>3</sup>  |  | \$ λ per m <sup>3</sup> |
|                        | 25.1 m <sup>3</sup> – 100 m <sup>3</sup>  |  | \$ λ per m <sup>3</sup> |
|                        | 100.1 m <sup>3</sup> – 1000 m <sup>3</sup>  |  | \$ λ per m <sup>3</sup> |
|                        | Over 1000 m <sup>3</sup>  |  | \$ λ per m <sup>3</sup> |
| <b>Effective Dates</b> | These rates effective April 1, 20λλ to March 31, 20λλ are subject to change in future years under the terms of this bylaw.  |  |                         |

**Commercial Water Service**

|                        |   |  |                         |
|------------------------|---|--|-------------------------|
| <b>Applicable</b>      | To all commercial, industrial and institutional customers within the city of Edmonton   |  |                         |
|                        | To all water customers not otherwise defined as Residential or Multi-Residential water service customers per Part I of this Schedule or as hydrant or truck fill service water customers per Part III of this Schedule. |  |                         |
| <b>Rate</b>            | <b>Fixed Monthly Service Charge</b><br>See Fixed Monthly Water Service Charges  |  |                         |
|                        | <b>Consumption Charge</b>   |  |                         |
|                        | 0 m <sup>3</sup> – 25.0 m <sup>3</sup>  |  | \$ λ per m <sup>3</sup> |
|                        | 25.1 m <sup>3</sup> – 100.0 m <sup>3</sup>  |  | \$ λ per m <sup>3</sup> |
|                        | 100.1 m <sup>3</sup> – 1000.0 m <sup>3</sup>  |  | \$ λ per m <sup>3</sup> |
|                        | 1000.1 m <sup>3</sup> – 5000.0 m <sup>3</sup>   |  | \$ λ per m <sup>3</sup> |
|                        | Over 5000 m <sup>3</sup>  |  | \$ λ per m <sup>3</sup> |
| <b>Effective Dates</b> | These rates effective April 1, 20λλ to March 31, 20λλ are subject to change in future years under the terms of this bylaw.  |  |                         |

## Fixed Monthly Water Service Charges

**Applicable** To all metered water customers within the city of Edmonton municipal boundaries.

**Rate** **Fixed Monthly Water Service Charge**

| Meter Size | Monthly Charge |
|------------|----------------|
| 15 mm      | \$ λ           |
| 20 mm      | \$ λ           |
| 25 mm      | \$ λ           |
| 40 mm      | \$ λ           |
| 50 mm      | \$ λ           |
| 75 mm      | \$ λ           |
| 100 mm     | \$ λ           |
| 150mm      | \$ λ           |
| 200 mm     | \$ λ           |
| 250mm      | \$ λ           |
| 300 mm     | \$ λ           |
| 400 mm     | \$ λ           |
| 500 mm     | \$ λ           |

**Effective Dates** These rates effective April 1, 20λλ to March 31, 20λλ are subject to change in future years under the terms of this bylaw.

## Customer Rebate for Water Services

**Applicable**

To all metered water customers within the city of Edmonton in the event that the Water System Service Quality does not meet the standard performance level.

**Rebate****Customer Rebate**

| Meter Size | Rebate |
|------------|--------|
| 15 mm      | \$ λ   |
| 20 mm      | \$ λ   |
| 25 mm      | \$ λ   |
| 40 mm      | \$ λ   |
| 50 mm      | \$ λ   |
| 75 mm      | \$ λ   |
| 100 mm     | \$ λ   |
| 150mm      | \$ λ   |
| 200 mm     | \$ λ   |
| 250mm      | \$ λ   |
| 300 mm     | \$ λ   |
| 400 mm     | \$ λ   |
| 500 mm     | \$ λ   |

**Effective Dates**

The total penalty for the year will be applied as a rebate to customer water bills in the year immediately following the performance year.

**Residential Wastewater Treatment Service**

|                        |  |                         |
|------------------------|--|-------------------------|
| <b>Applicable</b>      | To all domestic service customers and multi-residential service customers located within the city of Edmonton which are serviced by or connected to the City’s sewerage system.<br><br>A domestic service and multi-residential service are defined on Rate Sheet 1 and 2, respectively. |                         |
| <b>Rates</b>           | <b>Fixed Monthly Service Charge</b>  | \$ λ per month          |
|                        | <b>Consumption Charge *</b>  |                         |
|                        | All consumption  | \$ λ per m <sup>3</sup> |
|                        | <i>* Consumption is based on water meter readings unless otherwise approved by EWSI and the City.</i>  |                         |
| <b>Effective Dates</b> | These rates effective April 1, 20λλ to March 31, 20λλ are subject to change in future years under the terms of this bylaw.   |                         |

## Commercial Wastewater Treatment Service

|                   |   |
|-------------------|---|
| <b>Applicable</b> | <p>To all commercial, industrial and institutional customers within the city of Edmonton which are serviced by or connected to the City's sewerage system.</p> <p>To all customers not otherwise defined as Residential Wastewater Treatment Service customers.</p> |
|-------------------|---|

|  |  |  |                         |  |                         |                         |                         |
|--|--|--|-------------------------|--|-------------------------|-------------------------|-------------------------|
| <b>Rates</b>                                       | <p><b>Fixed Monthly Service Charge</b> \$ λ per month</p> <p><b>Consumption Charge *</b></p> <table> <tr> <td>0 m<sup>3</sup> – 10,000.0 m<sup>3</sup></td><td>\$ λ per m<sup>3</sup></td></tr> <tr> <td>10,000.1 m<sup>3</sup> – 100,000.0 m<sup>3</sup></td><td>\$ λ per m<sup>3</sup></td></tr> <tr> <td>&gt;100,000 m<sup>3</sup></td><td>\$ λ per m<sup>3</sup></td></tr> </table> <p><i>* Consumption is based on water meter readings unless otherwise approved by EWSI and the City.</i></p> | 0 m <sup>3</sup> – 10,000.0 m <sup>3</sup> | \$ λ per m <sup>3</sup> | 10,000.1 m <sup>3</sup> – 100,000.0 m <sup>3</sup> | \$ λ per m <sup>3</sup> | >100,000 m <sup>3</sup> | \$ λ per m <sup>3</sup> |
| 0 m <sup>3</sup> – 10,000.0 m <sup>3</sup>         | \$ λ per m <sup>3</sup>  |  |                         |  |                         |                         |                         |
| 10,000.1 m <sup>3</sup> – 100,000.0 m <sup>3</sup> | \$ λ per m <sup>3</sup>  |  |                         |  |                         |                         |                         |
| >100,000 m <sup>3</sup>                            | \$ λ per m <sup>3</sup>  |  |                         |  |                         |                         |                         |

|                        |   |
|------------------------|---|
| <b>Effective Dates</b> | <p>These rates effective April 1, 20λλ to March 31, 20λλ are subject to change in future years under the terms of this bylaw.</p> |
|------------------------|---|

## Wastewater Overstrength Surcharges

**Applicable** Applies to a customer who releases wastewater to the sewer system that contains one or more constituents that exceed the concentration indicated herein.

### Rates:

#### Wastewater Overstrength Surcharge:

The Overstrength surcharge, applied to each m<sup>3</sup> of water consumed, for each kilogram of surchargeable matter per m<sup>3</sup> of wastewater that exceeds the concentration indicated for that matter shall be:

|   | Concentrations Above: |
|---|-----------------------|
| a) \$ λ for Biochemical Oxygen Demand (BOD) | 300 mg/L              |
| b) \$ λ for Chemical Oxygen Demand (COD)    | 600 mg/L *            |
| c) \$ λ for oil and grease                  | 100 mg/L              |
| d) \$ λ for phosphorous                     | 10 mg/L               |
| e) \$ λ for suspended solids, and           | 300 mg/L              |
| f) \$ λ for total kjeldahl nitrogen (TKN)   | 50 mg/L               |

\* Or twice the BOD concentration in the wastewater, whichever is greater.

#### Wastewater Additional Overstrength Surcharge:

The Additional Overstrength Surcharge, applied to each m<sup>3</sup> of water consumed, for each kilogram of surchargeable matter per m<sup>3</sup> of wastewater that exceeds the concentration indicated for that matter shall be:

|   | Concentrations Above: |
|---|-----------------------|
| a) \$ λ for Biochemical Oxygen Demand (BOD) | 3,000 mg/L            |
| b) \$ λ for Chemical Oxygen Demand (COD)    | 6,000 mg/L *          |
| c) \$ λ for oil and grease                  | 400 mg/L              |
| d) \$ λ for phosphorous                     | 75 mg/L               |
| e) \$ λ for suspended solids, and           | 3,000 mg/L            |
| f) \$ λ for total kjeldahl nitrogen (TKN)   | 200 mg/L              |

\* Or twice the BOD concentration in the wastewater, whichever is greater.

**Effective Dates** These rates effective April 1, 20λλ to March 31, 20λλ are subject to change in future years under the terms of this bylaw.



**Customer Rebate for Wastewater Treatment Services**

|                        |   |  |      |
|------------------------|---|--|------|
| <b>Applicable</b>      | To all metered customers within the city of Edmonton in the event that the Wastewater Treatment Service Quality does not meet the standard performance level. |  |      |
| <b>Rebate</b>          | <b>Customer Rebate</b>  |  |      |
|                        | applied to the Fixed Monthly Service Charge   |  |      |
|                        | Residential Wastewater Treatment Service  |  | \$ λ |
|                        | Commercial Wastewater Treatment Service   |  | \$ λ |
| <b>Effective Dates</b> | The total penalty for the year will be applied as a rebate to customer wastewater treatment bills in the year immediately following the performance year.     |  |      |

## 2011 Water System Service Quality Measures

| Description                             | Performance Standard | Actual Performance | Points Earned |
|---|----------------------|--------------------|---------------|
| <b>System Reliability Index</b>         |                      |                    |               |
| Water Main Break Factor                 | 574                  | λ                  | λ             |
| Water Main Break Repair Duration Factor | 93.7 %               | λ                  | λ             |
| Planned Construction Impact Factor      | 95.0 %               | λ                  | λ             |
| Water Pressure Factor                   | 5                    | λ                  | λ             |
| Water Loss Factor                       | 3.0                  | λ                  | λ             |
| <b>Total System Reliability Index</b>   |                      |                    | λ             |
| <b>Water Quality Index</b>              | 99.6 %               | λ                  | λ             |
| <b>Customer Service Index</b>           |                      |                    |               |
| Post Service Audit Factor               | 74.0 %               | λ                  | λ             |
| Response Time Factor                    | 25                   | λ                  | λ             |
| Home Sniffing Factor                    | 93.8 %               | λ                  | λ             |
| <b>Total Customer Service Index</b>     |                      |                    | λ             |
| <b>Environmental Index</b>              | 15.0                 | λ                  | λ             |
| <b>Safety Index</b>                     | 15.0                 | λ                  | λ             |

|   |   |
|---|---|
| <b>Aggregate Points Earned</b> (sum of all the above indices) | λ |
|---|---|

|   |              |
|---|--------------|
| <b>Points Required at Performance Standard</b>      | <b>100.0</b> |
| <b>Points Above / (Below) Performance Standard</b>  | λ            |
| <b>Water System Service Quality Penalty, If Any</b> | λ            |

This page sets out Water System Service Quality Measures for the period April 1, 2012 to March 31, 2017.

## 2011 Wastewater Treatment Service Quality Measures

| Description  | Performance Standard | Actual Performance | Points Earned |
|--|----------------------|--------------------|---------------|
| <b>System Reliability Index</b>                    |                      |                    |               |
| Enhanced Primary Treatment                         | 75.0%                | 1                  | 1             |
| <b>Total System Reliability Index</b>              |                      |                    | 1             |
| <b>Wastewater Effluent Limit Performance Index</b> | 46.0%                | 1                  | 1             |
| <b>Customer Service Index</b>                      |                      |                    |               |
| Public Engagement Index                            | 2                    | 1                  | 1             |
| <b>Total Customer Service Index</b>                |                      |                    | 1             |
| <b>Environmental Index</b>                         | 20.0                 | 1                  | 1             |
| <b>Safety Index</b>                                | 20.0                 | 1                  | 1             |

|   |   |
|---|---|
| <b>Aggregate Points Earned</b> (sum of all the above indices) | 1 |
|---|---|

|  |              |
|--|--------------|
| <b>Points Required at Performance Standard</b>           | <b>100.0</b> |
| <b>Points Above / (Below) Performance Standard</b>       | 1            |
| <b>Wastewater System Service Quality Penalty, If Any</b> | 1            |

This page sets out Wastewater Treatment Service Quality Measures for the period April 1, 2012 to March 31 2017.

## **PRO-FORMA AUDITOR'S REPORT**

### AUDITOR'S REPORT ON RATE SHEETS 1,2,3,4,5,6,7,8 and 9

To the Senior Vice President, EPCOR Water Services Inc.

We have audited the rates for fixed monthly service charges, consumption charges, wastewater overstrength surcharges and the customer rebates included in Rate Sheets 1, 2, 3, 4, 5, 6, 7, 8 and 9 (hereinafter referred to as the "Rate Sheets") of EPCOR Water Services Inc. ("EWSI") for the 20xx Annual Water Rate and Wastewater Treatment Rate Filing calculated in accordance with City of Edmonton Bylaw 15816 EPCOR Water Services and Wastewater Treatment Bylaw. This financial information is the responsibility the management of EWSI. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information contained in the Rate Sheets is free of material misstatement. Such an audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Rate Sheets.

In our opinion, the Rate Sheets for the 20xx Annual Water Rate and Wastewater Treatment Rate Filing present fairly, in all material respects, the rates for fixed monthly service charges, consumption charges, and wastewater overstrength surcharges and the customer rebates effective April 1, 20xx to March 31 20xx, calculated in accordance with City of Edmonton Bylaw 15816 EPCOR Water Services.and Wastewater Treatment Bylaw.

It is understood that this report has been prepared to facilitate EWSI's reporting as required by Bylaw 15816 and it is not to be referred to or relied upon for any other purpose.

(signed).....

CHARTERED ACCOUNTANTS

City

Date