



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

Docket UW03304

Order UW06-02

**IN THE MATTER** of an application by the  
Kensington Water and Pollution Control  
Corporation for an increase in its rates and  
charges for water supply and sanitary sewage  
services.

**BEFORE THE COMMISSION**

on Friday, the 21st day of April, 2006.

Maurice Rodgerson, Chair  
Brian J. McKenna, Vice-Chair  
James Carragher, Commissioner

---

# Order

Compared and Certified a True Copy

*(Sgd) Heather Walker*

Technical and Regulatory  
Services Division

**IN THE MATTER** of an application by the Kensington Water and Pollution Control Corporation for an increase in its rates and charges for water supply and sanitary sewage services.

---

# Order

---

## WHEREAS:

The Kensington Water and Pollution Control Corporation (the "Utility"), by application filed on December 22, 2005, as amended February 22, 2006, applied to the Commission for approval to implement increased water and sanitary sewer rates and charges, effective January 1, 2006.

Following receipt of the said application, the Commission published a Notice of Application in the local newspaper inviting written comments on the Utility's proposal. There were no written submissions made in response to the Notice.

The current financial position of the Utility is set out below:

Statement of Revenue and Expenditures Net Income(Loss) December 31, 2005	Accumulated Surplus(Deficit) December 31, 2005
Sewer (\$100,478)	\$166,290
Water (\$97,984)	\$12,607
Total (\$198,462)	\$178,897

The Commission notes that the future annual operating results will likely be consistent with 2005 due to the increasing expenditure levels required for service delivery. The Commission notes, as well, that there has been a substantial increase in operating costs for water services since 2003. Among other things, the increased costs associated with water service can be attributed to:

- the implementation of increased water testing and system monitoring costs as required by the 2004 amendments to the *Environmental Protection Act* and *Drinking Water and Wastewater Facility Operating Regulations*;
- required expenditures for water chlorination; and
- increased staff resource requirements.

From the information filed with the Commission, it would appear that the requested rate increases will produce a projected \$61,928.94 in additional revenue to offset a portion of the annual operating deficits. Having fully considered the application, the Utility's audited financial statements and projected revenue and expenditure levels, the Commission has concluded that the proposed rates will not produce the level of revenue necessary for the ongoing financial sustainability of the Utility. The Commission will therefore implement a tariff of rates that will produce a projected \$87,192 in additional revenue.

The Commission will also immediately implement a change in the fire protection rate chargeable to the municipality that is consistent with the recommendations contained in the Delcom study on file with the Commission. In the Commission's view, the Delcom proposals are consistent with the fire protection rates in effect in other communities. There is no need to defer the increased charge pending implementation of the metering study discussed above.

**As well, the Commission directs** that the Utility undertake a metered rate study for submission to the Commission in 2007. This will necessitate the installation of water meters in the Town. The Commission would encourage the Utility to immediately proceed with the acquisition and installation of water meters on all but single-family dwellings so that the collection of data associated with the metered rate study can be undertaken.

The Commission would anticipate that a new metered rate tariff will be implemented on January 1, 2008.

In summary, the following rates—more completely set out in the Tariffs appended to, and forming part of this Order—are hereby authorized, effective January 1, 2006:

<b>Service (per annum)</b>	<b>Rate</b>
Water (per unit)	\$ 170.00
Sewer (per unit)	\$ 125.00
Combined Water and Sewer (per unit)	\$ 295.00
Municipal Fire Protection Charge	25% of the previous year's total water utility expenditures

The Commission considers that the above rates are necessary and equitable.

**NOW THEREFORE**, pursuant to the *Island Regulatory and Appeals Commission Act* and the *Water and Sewerage Act*

**IT IS ORDERED THAT**

1. The existing Tariffs for water and for sewer services of the Kensington Water and Pollution Control Corporation are revoked and the Tariffs appended to, and forming part of, this Order are substituted therefor; and
2. The appended Tariffs are approved and declared effective on January 1, 2006 and shall remain in effect until otherwise ordered by the Commission.

**DATED** at Charlottetown, Prince Edward Island, this 21st day of April, 2006.

**BY THE COMMISSION:**

(Sgd) Maurice Rodgerson

Maurice Rodgerson, Chair

(Sgd) Brian J. McKenna

Brian J. McKenna, Vice-Chair

(Sgd) James Carragher

James Carragher, Commissioner

## NOTICE

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

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

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

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

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

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

IRAC140A(2005/07)

# **Kensington Water and Pollution Control Corporation**

## **SEWER TARIFF**

THIS TARIFF SPECIFIES THE RATES AND CHARGES APPLICABLE  
TO SERVICES PROVIDED BY THE KENSINGTON WATER  
AND POLLUTION CONTROL CORPORATION

RULES AND REGULATIONS GOVERNING THE TYPES OF SERVICES  
AND MANNER IN WHICH SUCH SERVICES ARE PROVIDED  
ARE CONTAINED IN THE PRINCE EDWARD ISLAND  
MUNICIPAL WATER AND SEWERAGE UTILITIES  
GENERAL RULES AND REGULATIONS

**Effective: January 1, 2006**

## Sanitary Sewerage Surcharge

**Application:**

The following rates and charges apply to sanitary sewerage services provided to premises served or capable of being served by the Kensington Water and Pollution Control Corporation.

**Rates:**

\$125.00 per unit per annum in accordance with the appended Proportionate Sewerage Charges.

# Proportionate Sewerage Charges

TYPE OF CUSTOMER	UNIT VALUE	ANNUAL WATER CHARGE	TYPE OF CUSTOMER	UNIT VALUE	ANNUAL WATER CHARGE
SINGLE-FAMILY DWELLING	1.00	\$125.00	DOCTORS' & DENTISTS' OFFICES AND BEAUTY & BARBER SHOPS		
INDIVIDUAL APARTMENT	0.80	\$100.00	With Separate Service	1.00	\$125.00
MOBILE HOME	0.70	\$87.50	Combined With Other Service	0.50	\$62.50
SENIOR CITIZENS HOME, Per Unit	0.60	\$75.00	LAUNDROMAT WITH MACHINES USING OVER 30 GALLONS PER WASH		
CONVENT, INSTITUTIONAL DORMITORY, ROOMING OR BOARDING HOUSE			For First Machine	3.00	\$375.00
For Up to Five Persons	1.00	\$125.00	For Second Machine	2.00	\$250.00
For Each Additional Person	0.20	\$25.00	For Each Additional Machine	1.00	\$125.00
MOTELS AND TOURIST COTTAGES			LAUNDROMAT WITH MACHINES USING 30 OR FEWER GALLONS PER WASH		
With Housekeeping Facilities, Each Unit	0.50	\$62.50	For First Machine	2.00	\$250.00
With Bathroom Facilities Only, Each Unit	0.30	\$37.50	For Second Machine	1.50	\$187.50
TOURIST HOME			For Each Additional Machine	0.75	\$93.75
For First Bathroom	1.00	\$125.00	SERVICE STATION		
For Each Additional Bathroom or Washroom	0.30	\$37.50	Without Carwash	1.00	\$125.00
HOSPITAL			With Carwash	2.00	\$250.00
Without Laundry Facilities, Per Bed	0.50	\$62.50	RESTAURANTS AND SNACK BARS	1.00	\$125.00
With Laundry Facilities, Per Bed	0.75	\$93.75	For Each Ten Seats an Additional Amount of	0.25	\$31.25
SCHOOLS, Per Classroom	1.00	\$125.00	PREMISES LICENSED BY THE P.E.I. LIQUOR CONTROL COMMISSION:		
STORES, BANKS, CLUBS, CHURCHES, HALLS, RECREATIONAL FACILITIES AND PLACES OF BUSINESS			Restaurant, Lounge, Dining Room or Club	1.00	\$125.00
For First Washroom Facility	1.00	\$125.00	SEAT CHARGE: Calculate 75% of Fire Marshal's rating OR the actual seat count, then charge, for each five seats, an additional amount of	0.25	\$31.25
For Each Additional Toilet or Urinal	0.50	\$62.50	DRIVE-IN RESTAURANT OR THEATRE		
			With Canteen	1.00	\$125.00
			For First Washroom and Toilet Facility	1.00	\$125.00
			For Each Additional Washroom and Toilet Facility	0.50	\$62.50



# **Kensington Water and Pollution Control Corporation**

## **WATER TARIFF**

THIS TARIFF SPECIFIES THE RATES AND CHARGES APPLICABLE  
TO SERVICES PROVIDED BY THE **KENSINGTON WATER  
AND POLLUTION CONTROL CORPORATION**

RULES AND REGULATIONS GOVERNING THE TYPES OF SERVICES  
AND MANNER IN WHICH SUCH SERVICES ARE PROVIDED  
ARE CONTAINED IN THE **PRINCE EDWARD ISLAND  
MUNICIPAL WATER AND SEWERAGE UTILITIES  
GENERAL RULES AND REGULATIONS**

**Effective: January 1, 2006**

# Water Service Rates & Charges

**Application:**

The following rates and charges apply to water services provided to premises served or capable of being served by the Kensington Water and Pollution Control Corporation.

**Rates:**

\$170.00 per unit per annum in accordance with the appended Proportionate Water Charges.

**Fire Protection Charge:**

The Utility shall charge the Town of Kensington annually for water system facilities provided for fire protection services, the amount of 25% of the previous year's total water utility expenditures.

# Proportionate Water Charges

TYPE OF CUSTOMER	UNIT VALUE	ANNUAL WATER CHARGE	TYPE OF CUSTOMER	UNIT VALUE	ANNUAL WATER CHARGE
SINGLE-FAMILY DWELLING	1.00	\$ 170.00	DOCTORS' & DENTISTS' OFFICES AND BEAUTY & BARBER SHOPS		
INDIVIDUAL APARTMENT	0.80	\$ 136.00	With Separate Service	1.00	\$ 170.00
MOBILE HOME	0.70	\$ 119.00	Combined With Other Service	0.50	\$ 85.00
SENIOR CITIZENS HOME, Per Unit	0.60	\$ 102.00	LAUNDROMAT WITH MACHINES USING OVER 30 GALLONS PER WASH		
CONVENT, INSTITUTIONAL DORMITORY, ROOMING OR BOARDING HOUSE			For First Machine	3.00	\$ 510.00
For Up to Five Persons	1.00	\$ 170.00	For Second Machine	2.00	\$ 340.00
For Each Additional Person	0.20	\$ 34.00	For Each Additional Machine	1.00	\$ 170.00
MOTELS AND TOURIST COTTAGES			LAUNDROMAT WITH MACHINES USING 30 OR FEWER GALLONS PER WASH		
With Housekeeping Facilities, Each Unit	0.50	\$ 85.00	For First Machine	2.00	\$ 340.00
With Bathroom Facilities Only, Each Unit	0.30	\$ 51.00	For Second Machine	1.50	\$ 255.00
TOURIST HOME			For Each Additional Machine	0.75	\$ 127.50
For First Bathroom	1.00	\$ 170.00	SERVICE STATION		
For Each Additional Bathroom or Washroom	0.30	\$ 51.00	Without Carwash	1.00	\$ 170.00
HOSPITAL			With Carwash	2.00	\$ 340.00
Without Laundry Facilities, Per Bed	0.50	\$ 85.00	RESTAURANTS AND SNACK BARS	1.00	\$ 170.00
With Laundry Facilities, Per Bed	0.75	\$ 127.50	For Each Ten Seats an Additional Amount of	0.25	\$ 42.50
SCHOOLS, Per Classroom	1.00	\$ 170.00	PREMISES LICENSED BY THE P.E.I. LIQUOR CONTROL COMMISSION:		
STORES, BANKS, CLUBS, CHURCHES, HALLS, RECREATIONAL FACILITIES AND PLACES OF BUSINESS			Restaurant, Lounge, Dining Room or Club	1.00	\$ 170.00
For First Washroom Facility	1.00	\$ 170.00	SEAT CHARGE: Calculate 75% of Fire Marshal's rating OR the actual seat count, then charge, for each five seats, an additional amount of	0.25	\$ 42.50
For Each Additional Toilet or Urinal	0.50	\$ 85.00	DRIVE-IN RESTAURANT OR THEATRE		
			With Canteen	1.00	\$ 170.00
			For First Washroom and Toilet Facility	1.00	\$ 170.00
			For Each Additional Washroom and Toilet Facility	0.50	\$ 85.00