

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

Docket UW26305

Order UW07-02

IN THE MATTER of an application by the
Seawood Water Utility Corporation for an
increase in its rates and charges for water
services.

BEFORE THE COMMISSION

on Friday, the 27th day of July, 2007.

Maurice Rodgerson, Chair
Brian McKenna, Vice-Chair
Weston Rose, Commissioner

Order

Compared and Certified a True Copy

(Sgd) *Heather Walker*

Technical and Regulatory
Services Division

IN THE MATTER of an application by the Seawood Water Utility Corporation for an increase in its rates and charges for water services.

Order

WHEREAS the Seawood Water Utility Corporation (the “Utility”), operating as a privately-owned water utility in the Cavendish area, filed an application on February 20, 2007 to the Commission for approval to implement increased water rates and charges, effective April 1, 2007;

AND WHEREAS the Utility’s current and proposed rates are outlined below:

	Customers Served Over 6 Months		Customers Served 6 Months or Less		Frontage Rate Only	
	Current	Proposed	Current	Proposed	Current	Proposed
Annual Rate	\$163.00	\$289.00	\$110.25	\$214.00	\$57.50	\$99.00

AND WHEREAS, following receipt of the application, the Commission circulated a Notice to affected residents in Seawood Estates inviting written comments on the Utility’s proposal;

AND WHEREAS a number of written comments from customers of the Utility, as well as reply comments from the Utility itself, were received in response to the Notice and considered by the Commission;

AND WHEREAS, following a thorough review of the application, the Utility’s financial statements and financial projections, as well as comments received from customers and the reply comments of the Utility, the Commission has found and concluded as follows:

1. Increased costs associated with the ongoing operation and maintenance of the utility are considered necessary and in keeping with comparable costs incurred by other utilities operating in P.E.I. The Commission notes that increased operating costs associated with enhanced province-wide water purification and testing requirements

have been experienced throughout the province. In recovering these costs, the impact on user rates is in direct relation to Seawood's relatively small customer base; and

2. Interest-related expenses and other interest costs associated with financing the Utility's accumulated deficit have not been properly recovered by the Utility. In addition, it has been noted that the Utility has not been charging applicable rates and charges for Seawood-owned lots that are capable of being served. These revenue and expenditure accounts have been adjusted on a go-forward basis only, as the two accounts effectively offset one another;

AND WHEREAS a revised schedule of revenues and expenditures that reflects these changes is appended to this Order. The schedule is prepared in accordance with the Commission's Uniform System of Accounts with costs allocated to the appropriate account codes. In future, the Utility is to strictly adhere to these account codes;

AND WHEREAS the Commission has, in its review of the application, duly noted the issues raised by respondent customers of the utility, including comments on the magnitude of the requested increase and the related issue of a possible phase-in of the increase;

AND WHEREAS the Commission has concluded that any delay in the implementation of a rate increase or a phased-in increase would only defer the Utility's ability to recover necessary revenue and result in higher interest costs to finance the deficit;

AND WHEREAS the Commission considers that:

- an annual frontage charge of \$105;
- an annual frontage charge of \$105, combined with an annual flat rate of \$105.00 for water customers served 6 months of the year or less;
- an annual frontage charge of \$105, combined with an annual flat rate of \$210.00 for customers served more than 6 months of the year,

effective with service provided on and after April 1, 2007, are necessary and equitable rates and charges;

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

IT IS ORDERED THAT

1. The existing Tariff for water services of the Seawood Water Utility Corporation is revoked and the Tariff appended to, and forming part of, this Order is substituted therefor;
2. The existing Seawood Water Utility Corporation Rules and Regulations for water services, approved by Commission Order UW03-03, issued July 24, 2003, are hereby revoked and the Rules and Regulations appended to, and forming part of, this Order are substituted therefore; and
3. The appended Tariff and Rules & Regulations are approved and declared effective on April 1, 2007 and shall remain in effect until otherwise ordered by the Commission.

DATED at Charlottetown, Prince Edward Island, this 27th day of July, 2007.

BY THE COMMISSION:

(Sgd) Maurice Rodgerson

Maurice Rodgerson, Chair

(Sgd) Brian McKenna

Brian McKenna, Vice-Chair

(Sgd) Weston Rose

Weston Rose, 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)

APPENDIX

Seawood Water Utility Corporation Revenues & Expenditures

	Flat Rate 6 mos or <	Flat Rate > 6 mos	Ftg Charge	Combined Ftg & Flat Rate Total 6 or < Total > 6	
Current Water Rate:	\$52.75	\$105.50	\$57.50	\$110.25	\$163.00
Water Rate – Eff Apr 1/07:	\$105.00	\$210.00	\$105.00	\$210.00	\$315.00

	Actual			IRAC STAFF PROJECTIONS			
	2004	2005	2006	No Rate Increase 2007	No Rate Increase 2008	With Rate Increase 2007	With Rate Increase 2008
	REVENUES						
Flat Rate Revenues	\$14,261	\$14,382	\$14,546	\$15,208	\$15,208	\$28,560	\$28,560
Miscellaneous Service	200	600	200	200	200	200	200
Other	188	334	437				
TOTAL REVENUES	\$14,649	\$15,316	\$15,183	\$15,408	\$15,408	\$28,760	\$28,760
EXPENDITURES							
OPERATING							
Salaries & Wages – Operational Employees	\$5,251	\$5,510	\$5,335	\$5,335	\$5,335	\$5,335	\$5,335
Materials & Supplies							
Repairs and Maintenance	2,539	4,899	6,933	10,940	10,940	10,940	10,940
Rentals	1,500		1,500				
Electricity	2,485	1,843	1,775	1,862	1,862	1,862	1,862
	11,775	12,252	15,543	18,137	18,137	18,137	18,137
GENERAL							
Salaries & Wages – Admin Employees							
Employees' Pensions and Benefits							
Office Supplies and Expenses		2,324	1,957	2,320	2,320	2,410	2,410
Interest and Bank Charges	96	90	86	840	840	840	840
Contractual Services				1,300	1,300	1,300	1,300
Transportation Expenses	3,242	3,268	3,375	3,400	3,400	3,400	3,400
Insurance	1,398						
Regulatory Commission Fees	717	717	717	717	717	717	717
Miscellaneous Expenses			1,206				
Bad Debt Expense							
	5,453	6,399	7,341	8,577	8,577	8,667	8,667
OTHER							
Depreciation Expenses	598	1,056	1,619	1,619	1,619	1,619	1,619
Interest on Long-Term Debt				1,200	1,200	1,200	1,200
	598	1,056	1,619	2,819	2,819	2,819	2,819
TOTAL EXPENDITURES	\$17,826	\$19,707	\$24,503	\$29,533	\$29,533	\$29,623	\$29,623
Net Income (Loss) for the Year	(\$3,177)	(\$4,391)	(\$9,320)	(\$14,125)	(\$14,125)	(\$863)	(\$863)
Cumulative Surplus (Deficit) Dec. 31	(\$9,209)	(\$13,600)	(\$22,920)	(\$37,045)	(\$51,171)	(\$23,783)	(\$24,646)

- 1 Includes revenue allocation for Seawood-owned lots capable of being serviced
- 2 Includes maintenance, testing, monitoring of chlorination system, curb stops and electrical and mechanical maintenance
- 3 Includes interest on \$22,920 deficit (amortized over 5 years @ 7.5%)
- 4 Interest on capital assets (\$52,000 @ 7.5% over 20 years)

Seawood Water Utility Corporation

WATER TARIFF

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

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

Effective: April 1, 2007

Water Service Rates and Charges

Application:

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

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

Flat Rate:

Each customer served over six months

\$210.00

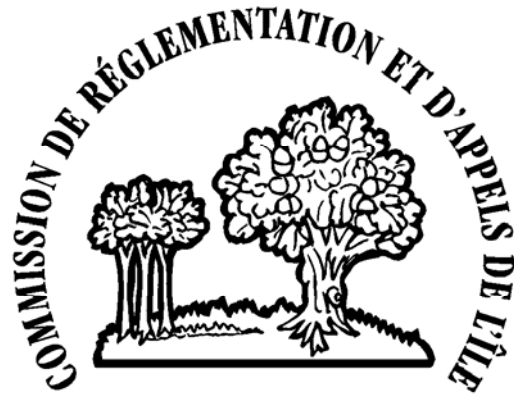
Each customer served six months or less

\$105.00

Frontage Charge:

Each lot serviced or capable of being serviced

\$105.00



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

**SEAWOOD WATER UTILITY
CORPORATION**

**WATER
RULES & REGULATIONS**

—April 1, 2007—

These Rules and Regulations are made and approved by The Island
Regulatory and Appeals Commission under Order UW07-02

Contents

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

5.0 BILLING 7

 5.1 Payment of Bills 7

 5.2 Prorating of Rates 7

 5.3 Suspension of Service for Non-Payment of Bills 8

 5.4 Curb Stop Charge 8

 5.5 Delayed Payment Charge 8

 5.6 Owner of Premises Billed 8

 5.7 Rates During Vacancy 8

 5.8 Multiple or Joint Use Premises 8

Part 1 Application

- 1.1 As required by the *Water and Sewerage Act*, Section 16, the following Rules and Regulations have been approved by Order UW03-03 of The Island Regulatory and Appeals Commission for application by the Seawood Water Utility.
- 1.2 These Rules and Regulations are subject to the *Water and Sewerage Act* as well as to directives of and special contracts approved by The Island Regulatory and Appeals Commission.

Part 2 Interpretation

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

Commission means The Island Regulatory and Appeals Commission.

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

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

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

Service means water service.

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

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

Part 3 General

3.1 Disputes

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

3.2 Application for Service

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

3.3 Plumbing Permit

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

3.4 Plumbing to be Satisfactory

All plumbing, pipes, fittings, vents, fixtures and other devices for conveying, distributing, controlling or utilizing water which are used by a customer and are not the property of the Utility shall be installed according to the requirements of the current edition of the **Canadian Plumbing Code**. Except for construction or testing purposes, the water shall not be turned on until the applicant for service has satisfied these requirements. The supply of water may be refused or discontinued to any customer at any time, if, in the opinion of the Utility, the plumbing, pipes, fittings, vents, fixtures and other devices are herein before mentioned, or any of them, fail to comply with the above requirements, or if any part of the water system of such customer is in any unsuitable, dirty, unsanitary or inaccessible place. Service shall not be re-established until such condition is corrected to the satisfaction of the Utility.

3.5 Refusal of Service

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

3.6 Condemned Premises

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

3.7 Season for Laying Pipe

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

3.8 Access to Customer's Premises

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

3.9 Prohibited Appliances

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

3.10 Interference with Utility Property

No person, unless authorized by the Utility in writing, shall draw water from, open, close, cut, break or in any way injure or interfere with any fire hydrant, water pipe or main or other property of the Utility, or obstruct the free access to any hydrant, stop cock, meter, building, etc., provided however that nothing in this section shall be deemed to prevent an officer or member of the Fire Department engaged in the work of such Department, from using any hydrant or other source of water supply of the Utility for such purpose.

3.11 Improper Use or Waste of Water

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

3.12 Repair of Leaks

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

3.13 Cooling Water

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

3.14 Suspension of Service for Violation

Whenever, in the opinion of the Utility, violation of any of these Rules and Regulations is existing or has occurred, the Utility may cause the service to be suspended from the premises where such violation is existing or has occurred and may keep the same so suspended until satisfied that the cause for such action has been removed.

3.15 Suspension of Service

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

3.16 Liability of the Utility

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

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

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

3.17 Jurisdiction of the Utility

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

Part 4 Services

4.1 Installation of Shut-off

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

4.2 Individual Service

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

4.3 Deposits on Custom Work

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

4.4 Non-Negotiable Cheques

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

4.5 Service Pipes

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

4.6 Cost of Service Pipes

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

4.7 Cost of Oversized Service Pipes

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

4.8 No Water Service Without Sewerage Service

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

4.9 Relocation of Service

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

4.10 Multiple Service Connections

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

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

4.11 Unauthorized Extensions, Additions or Connections

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

4.12 Cross Connections Prohibited

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

4.13 Contaminated Interconnection

No connection shall be permitted to any installation, equipment or source in such a manner as may allow any contamination to pass from such installation, equipment or source into the Utility's water supply system. If any such connection exists the Utility may discontinue the supply of water to such customer.

4.14 Repairs to Service Lines

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

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

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

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

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

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

4.15 Water for Construction

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

4.16 Contracted Work

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

4.17 Use of Independent Contractors

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

4.18 Signed Agreements

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

Part 5 Billing

5.1 Payment of Bills

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

5.2 Prorating of Rates

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

5.3 Suspension of Service for Non-Payment of Bills

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

5.4 Curb Stop Charge

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

5.5 Delayed Payment Charge

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

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

5.6 Owner of Premises Billed

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

5.7 Rates During Vacancy

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

5.8 Multiple or Joint Use Premises

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