



**Blazer Water Systems Ltd.**

**2019-2020 General Rate Application Compliance Filing**

**October 9, 2019**

**Alberta Utilities Commission**

Decision 24418-D01-2019

Blazer Water Systems Ltd.

2019-2020 General Rate Application Compliance Filing

Proceeding 24418

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## **1 Introduction**

1. On November 22, 2018, the Alberta Utilities Commission issued Decision 22319-D01-2018<sup>1</sup> in respect of Blazer Water Systems Ltd.'s (Blazer's) 2019 to 2020 general rate application (GRA). In that decision, the Commission directed Blazer to provide a compliance filing by February 22, 2019, addressing all of the determinations and directions of the Commission in Decision 22319-D01-2018. Blazer was granted an extension of that deadline and it filed its 2019 to 2020 GRA compliance filing on March 15, 2019, in compliance with the deadline.

2. The Commission issued a notice of application on March 21, 2019, which set the deadline for filing a statement of intent to participate (SIP) as April 5, 2019. SIPs were filed by the following parties:

- (a) Bears paw Village Water Co-Operative (BPV)
- (b) Alberta Condominium Corporation 1110886
- (c) Esther Aichele
- (d) Susan Farrell
- (e) Paul Griffin
- (f) William Sawchuk

3. On April 16, 2019, the Commission issued a letter stating that Blazer's application did not conform to the scope of a compliance filing application because it contained additional information beyond what is tested in a compliance filing proceeding. The Commission stated that the purpose of a compliance filing is for the utility to demonstrate how it has complied with the Commission's directions and findings in a previous decision.<sup>2</sup> The Commission directed Blazer to refile its application, by May 31, 2019.

4. On May 13, 2019, Blazer provided a revised application to the Commission. On May 21, 2019, the Commission issued a letter stating that, consistent with Rule 011: *Rate Application Process for Water Utilities*, Commission staff would review the application as part of the application development process. The Commission added that this stage of the process was for information gathering purposes and was not a test of the merits of Blazer's application by the Commission.<sup>3</sup>

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<sup>1</sup> Decision 22319-D01-2018: Blazer Water Systems Ltd., 2019-2020 General Rate Application, November 22, 2018.

<sup>2</sup> Exhibit 24418-X0019.

<sup>3</sup> Exhibit 24418-X0020.

5. On May 28, 2019, Commission staff held a technical meeting with Blazer to discuss technical issues with Blazer's application, primarily the methodology for calculating depreciation expenses for Blazer's capital assets. As a result of the technical meeting, Blazer filed revised application documents on June 19, 2019, and July 4, 2019 (revised application).

6. In a July 9, 2019, letter, the Commission requested comments from parties on the need for further process by no later than July 24, 2019. Alberta Condominium Corporation 1110886 filed comments saying that it did not intend to file information requests but it would file final argument. No other parties filed comments on the need for further process.

7. Upon review of Blazer's revised application, the Commission determined that it did not have any information requests and set deadlines of August 9, 2019, for final argument and August 19, 2019, for reply argument. Blazer and Alberta Condominium Corporation 1110886 filed argument on August 9, 2019, and Blazer filed reply argument on August 14, 2019. The Commission considers that the record of this proceeding closed on August 14, 2019.

8. In reaching the determinations set out within this decision, the Commission has considered all relevant materials comprising the record of this proceeding. Accordingly, references in this decision to specific parts of the record are intended to assist the reader in understanding the Commission's reasoning relating to a particular matter and should not be taken as an indication that the Commission did not consider all relevant portions of the record with respect to that matter.

9. The Commission has referenced the direction numbers from Decision 22319-D01-2018, Appendix 2 – Summary of Commission directions, in the headings of each section of this decision. However, the narrative under each heading in this decision refers to the source paragraph of the direction in Decision 22319-D01-2018 rather than the direction number in Appendix 2 of that decision.

## 2 Background

10. In its revised application, Blazer requested approval of its 2019 and 2020 rates as set out in Table 1 below:

**Table 1. 2019 to 2020 rates by customer group**

Customer group	2019	2020
Lynx Ridge Golf Course commercial customer (per cubic metre)	\$0.220	\$0.224
Lynx Ridge Estates irrigation customer group (per cubic metre)	\$0.92	\$0.92
Monthly fixed fee - all potable water customers	\$32.86	\$33.45
Variable consumption charge (per cubic metre up to 60 cubic metres per month)		
All residential potable water customers excluding Bearspaw Village and Blueridge Rise	\$3.03	\$2.72
Potable water customers living in Bearspaw Village and Blueridge Rise	\$1.66	\$1.72
Variable consumption charge (per cubic metre over 60 cubic metres per month)		
All residential potable water customers excluding Bearspaw Village and Blueridge Rise	\$6.05	\$5.43
Potable water customers living in Bearspaw Village and Blueridge Rise	\$3.32	\$3.44

Source: Exhibit 24418-X0024.01, financial model, schedules 3.1 to 3.4.

11. Blazer's customers made the following submissions on the substance of the application:
  - (a) BPV objected to two new operating cost categories: operating, maintenance and administrative (OM&A), and depreciation expense, and noted an error in Blazer's allocation of depreciation costs.
  - (b) Alberta Condominium Corporation 1110886 questioned why the test period was reduced from three to two years. It also noted potential errors in certain schedules in Blazer's financial model. In the condo corporation's argument, it supported Blazer's application.
  - (c) Susan Farrell objected to the amount of Blazer's proposed rate increase as exorbitant relative to what the city of Calgary residents are charged.
  - (d) Esther Aichele filed a SIP objecting to the amount of the proposed rate increase, particularly compared to The City of Calgary rates. Ms. Aichele requested a rate of no more than \$3.25 per cubic metre for consumption in excess of 60 cubic metres per month.
  - (e) William Sawchuk would like the Commission to render a decision that considers a fair allocation of costs between the various customer classes.
12. The Commission also considers that the initial concerns of BPV and Alberta Condominium Corporation 1110886 were no longer raised and were addressed in the revised application.
13. As noted by the Commission in its April 16, 2019, letter, the purpose of a compliance filing is for the applicant to demonstrate its compliance with the Commission's determinations and directions in a previous decision. Findings or directions from earlier proceedings will only be addressed in a compliance filing to the extent necessary to ensure the compliance with the previous Commission decision or if a utility is unable to comply with a direction for reasons not known when the substantive decision was made.
14. In the case of submissions received in this proceeding by customers objecting to the amount of the rate increases, this issue was tested in Proceeding 22319 and the Commission made its determinations on the costs and allocations in setting just and reasonable rates. No new information on this issue has been presented to the Commission in the compliance filing that would warrant a change in the Commission's directions in Decision 22319-D01-2018 on the underlying cost drivers and allocation of rates to customers. Therefore the Commission will not make any new determinations with respect to customers' submissions on the amount of rates charged by Blazer as part of this decision.
15. The Commission agrees that the resulting rates included in Table 1, and supported by the revised application and schedules, conform with the Commission's directions in Decision 22319-D01-2018. The Commission approves Blazer's customer rates for 2019-2020, set out in Table 1.

### **3 Commission directions**

#### **3.1 Bearspaw Village Water Co-Operative and Blueridge Rise reserve funds (Direction 1)**

16. In paragraph 70 of Decision 22319-D01-2018, the Commission directed Blazer to provide the calculation of its \$30 per month contingency fund amount for BPV and Blueridge Rise (BRR) and provide an explanation of why this amount should be approved in the compliance filing.

17. The BPV and BRR contingency funds are intended to cover higher costs of necessary maintenance, repairs and water losses due to aging systems.

18. Blazer stated that the funds would be better described as “reserve” funds rather than contingency funds. Blazer submitted further that the monthly reserve fund assessment is a service that it provides to BPV and BRR at no additional cost for administering the fund. Blazer added that the BPV reserve fund remains under the control of BPV. The BRR reserve fund is maintained by Blazer in a separate bank account on behalf of the BRR community.<sup>4</sup>

19. Blazer submitted that the \$30 per month reserve fund assessment is a reasonable amount, and that BPV and BRR customers agreed to pay that amount since 2016, as demonstrated by emails from representatives of the two communities, filed by Blazer on the record of this proceeding.<sup>5 6</sup>

20. No interveners commented on this aspect of Blazer’s compliance filing application. Representatives of BPV submitted comments<sup>7</sup> on the compliance filing application but did not comment specifically on this issue.

#### **Commission findings**

21. The Commission accepts Blazer’s submission that it is administering the two reserve funds on behalf of BPV and BRR without additional cost to customers, and that the \$30 per month reserve fund is reasonable for maintenance of the BPV and BRR systems. The Commission also considers the \$30 per month reasonable because this amount has not changed since 2016 and Blazer provided supporting documentation regarding the \$30 per month amount. Accordingly, the Commission approves Blazer’s proposed reserve fund assessment and finds that Blazer has complied with this direction.

### **3.2 Rate base (directions 6-10 and 15)**

#### **3.2.1 Opening rate base (Direction 6)**

22. In paragraph 133 of Decision 22319-D01-2018, the Commission directed the following:

The Commission is prepared to make a determination on whether or not it will accept the costs-to-date as part of determining the opening rate base balance, as of January 1, 2019. In order to do this, the Commission considers that it is necessary to update the opening rate base numbers to reflect the significant amount of time that has passed since Blazer

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<sup>4</sup> Exhibit 24418-X0002.01, application, paragraphs 9-14.

<sup>5</sup> Exhibit 24418-X0026, email from BRR representative.

<sup>6</sup> Exhibit 24418-X0027, email from BPV representative.

<sup>7</sup> Exhibit 24418-X0014, BPV submission.

filed its initial application with the Commission. Accordingly, the Commission directs Blazer to update Schedule 12 of the financial model to reflect the actual net book value as of December 31, 2018, in its compliance filing to this decision. As part of this direction, the updated net book value must take into account any findings and determinations of the Commission in the other sections of this decision.

23. Blazer stated that its financial model reflects the actual net book value (NBV) as of December 31, 2018.

24. The Commission has reviewed Blazer's application and financial model and confirms that Blazer has included a 2018 balance sheet and has updated Schedule 12 of its financial model to reflect the actual NBV as of December 31, 2018.

25. The Commission has reviewed Blazer's capital assets and the NBVs assigned to those assets by Blazer, and finds that the actual NBV as of December 31, 2018, is reasonable for a water system of Blazer's size. Accordingly, the Commission finds that Blazer has complied with this direction and approves Blazer's proposed opening rate base, effective as of January 1, 2019.

### **3.2.2 Gifted capital for connection of BPV water system (Direction 7)**

26. In paragraph 135 of Decision 22319-D01-2018, the Commission directed Blazer to make corrections to certain data in Schedule 11 and Schedule 13 of its financial model, to properly account for \$0.264 million that was gifted capital for the connection of the BPV water system to Blazer's system.

27. Blazer stated that it removed that amount from its invested capital in Schedule 11 and that the amount is reflected in Schedule 13 as gifted capital<sup>8</sup> in order to comply with the Commission's direction.

28. Upon the review of the schedules, the Commission confirms that the \$0.264 million has been removed from Blazer's invested capital in Schedule 11 and that the amount is properly included as gifted capital in Schedule 13. Accordingly, the Commission finds that Blazer has complied with this direction.

### **3.2.3 Updated actual and forecast capital additions for river intake replacement (Direction 8)**

29. In paragraph 148 of Decision 22319-D01-2018, the Commission directed Blazer to update its actual costs to date and forecast costs related to its capital additions for its river intake replacement project.

30. In Proceeding 22319, Blazer stated that it understood that its proposed river intake capital additions were required by Alberta Environment and Parks (Alberta Environment) and that a pumping improvement program was not a viable alternative.

31. In the current proceeding, Blazer stated that during a November 2018 meeting, Alberta Environment informed Blazer that pumping improvements were now a viable option, at least in the short term. As a result, Blazer revised its capital plan to implement the lower cost pumping

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<sup>8</sup> Exhibit 24418-X0002.01, application, paragraph 40.



improvement program. Blazer anticipates that the river intake project will still be required, with work commencing in 2023.<sup>9</sup>

32. Blazer's original application in Proceeding 22319 included \$400,000 in each of 2018 and 2019 for construction costs for the river intake improvement project.<sup>10</sup> Blazer's most recent financial model includes a forecast of \$50,000 in 2020 for construction costs necessary to continue using the existing pumps. The Commission finds that the new information received from Alberta Environment will allow for the continued use of the existing river pumps, which is expected to result in reduced overall project costs. Blazer's proposal to amend its capital plan to delay the originally proposed river intake improvements is reasonable given the updated circumstances and information filed in the proceeding. The Commission also notes that Blazer removed its previous actual costs from the capital plan in Schedule 9 and added the costs to its 2018 balance sheet. Accordingly, the Commission approves Blazer's Schedule 9 capital plan and finds that Blazer has complied with this direction.

### **3.2.4 Forecast capital additions – contingency allowance (directions 9-10)**

33. In paragraphs 151 and 152 of Decision 22319-D01-2018, the Commission directed Blazer to exclude any capital amounts for contingency allowance against unexpected works.

34. Blazer stated that it removed the \$40,000 capital addition from the test years, which is reflected in Schedule 9 and Schedule 12 of its financial model.<sup>11</sup>

35. Upon review of the schedules, the Commission confirms that Blazer has removed these amounts and finds that Blazer has complied with these two directions.

### **3.2.5 Depreciation expense of \$0.150 million investment in BPV and BRR system connections (directions 15-16)**

36. In paragraphs 172 and 173 of Decision 22319-D01-2018, the Commission directed the following:

The Commission directs Blazer, in the compliance filing to this decision, to include a separate asset of \$0.150 million for its investment in the BPV/BRR connection to the Blazer water system. The Commission further directs Blazer, as part of the compliance filing, to calculate the opening net book value of this asset as of January 1, 2019, by applying 3.93 per cent of the depreciation for all years, up to and including 2018, for the assets associated with the \$3.815 million investment. These assets are the water treatment plant building number two; landscaping at building number two; building equipment at building number two; water treatment plant in building number two; pumps and mechanical equipment in building number two; meter and control chambers and controls in building number two; generator in building number two, and reservoir number four.

The Commission also directs Blazer, as part of the compliance filing to this decision, to calculate the depreciation expense associated with the \$0.150 million for 2019 and 2020, as 3.93 per cent of the depreciation expense associated with the initial investment of \$3.815 million for these assets. In order to facilitate this calculation, the Commission directs Blazer, in the compliance filing, to track and depreciate the \$3.815 million of

<sup>9</sup> Exhibit 24418-X0002.01, application, paragraph 42.

<sup>10</sup> Exhibit 22319-X0009, Schedule 9.

<sup>11</sup> Exhibit 24418-X0002.01, application, paragraphs 46-47.

capital assets identifying each capital asset separately, and to track and depreciate any subsequent capital additions for these assets separately.

37. Blazer stated that it accounted for the \$0.150 million by allocating that amount proportionally across the eight assets associated with the water treatment plant expansion project. Blazer submitted that this methodology is consistent with Direction 16, which directed Blazer to track and depreciate the water treatment plant expansion assets separately. Blazer added that the \$3,815,000 referred to by the Commission is only the capital additions for 2014 and that the total capital additions for the water treatment plant expansion were \$3,843,796. Blazer confirmed that it calculated the opening NBV of the \$0.150 million asset, as of January 1, 2019, by applying the 3.93 per cent depreciation rate for all years up to and including 2018, resulting in an opening NBV of \$133,716.<sup>12</sup>

38. Blazer confirmed that it calculated the depreciation expense associated with the \$0.150 million as 3.93 per cent of the depreciation expense for the water treatment plant expansion assets.

39. The Commission has reviewed Blazer's treatment of the eight assets associated with the water treatment plant expansion and accepts Blazer's reasoning for allocating the \$0.150 million proportionally across those assets. The Commission confirms that Blazer correctly updated the opening NBV of the assets and that the depreciation for the \$0.150 million is calculated as 3.93 per cent of the depreciation expense for the water treatment plant expansion assets. The Commission also acknowledges that the \$3,815,000 referenced in directions 15 and 16 was, as noted by Blazer, the capital additions for 2014 and that the total capital additions in 2014 and 2015 for these assets was \$3,843,796. Accordingly, the Commission finds that Blazer has complied with these directions.

### **3.3 Depreciation (directions 11-14 and 18)**

40. In paragraph 163 of Decision 22319-D01-2018, the Commission directed Blazer to use the half-year rule for capital additions in 2019 and 2020. In paragraph 165, the Commission directed Blazer to adopt the straight-line basis of calculating depreciation. In paragraph 166, the Commission directed Blazer to calculate the depreciation for its capital assets as of December 31, 2018, based on the remaining expected life, their NBV as of December 31, 2018, and the depreciation rates approved in Table 8 of Decision 22319-D01-2018. In paragraph 167, the Commission directed Blazer to calculate the depreciation for any capital additions using the Table 8 depreciation rates and the half-year rule.

41. Blazer stated that it revised Schedule 12 of the financial model to include a half-year depreciation in 2019 for capital additions forecast for 2019, a half-year depreciation expense in 2020 for capital additions forecast for 2020, and the calculation of its depreciation expense on a straight-line basis.<sup>13</sup> Blazer added that it calculated the depreciation expense for its existing capital assets and its capital additions as directed by the Commission.<sup>14</sup>

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<sup>12</sup> Exhibit 24418-X0002.01, application, paragraphs 58-61.

<sup>13</sup> Exhibit 24418-X0002.01, application, paragraphs 49 and 51.

<sup>14</sup> Exhibit 24418-X0002.01, application, paragraphs 54 and 56.

42. In paragraph 177 of Decision 22319-D01-2018, the Commission directed Blazer to allocate a portion of the depreciation on its water treatment plant assets to BPV and BRR based on water consumption.<sup>15</sup>

43. Blazer confirmed that it has allocated depreciation on the water treatment plant assets to BPV and BRR based on water consumption.<sup>16</sup>

44. The Commission reviewed Blazer's changes to Schedule 12 of its financial model and confirms that Blazer has correctly implemented the half-year rule and straight-line depreciation for its capital additions, and calculated the depreciation expense based on the remaining life of its assets and the depreciation rates approved in Table 8 of Decision 22319-D01-2018. Blazer also allocated depreciation of the water treatment plant assets to BPV and BRR in accordance with the Commission's direction in paragraph 177. Accordingly, the Commission finds that Blazer has complied with these five directions.

### **3.4 Cost of debt, return on equity and deemed debt equity ratio (Direction 19)**

45. In paragraph 188 of Decision 22319-D01-2018, the Commission directed Blazer to calculate, and show separately, return on debt with an interest rate of 4.0 per cent, return on equity of 8.50 per cent, a deemed equity ratio of 40 per cent and a deemed debt ratio of 60 per cent, for each of 2019 and 2020.

46. Blazer confirmed that it reflected the updated parameters in Schedule 1 of its financial model.<sup>17</sup>

47. The Commission has reviewed Blazer's financial model and confirms that Blazer has included the return on equity, the return on debt interest rate, and debt and equity ratios, as directed in paragraph 188 of Decision 22319-D01-2018. Accordingly, the Commission finds that Blazer has complied with this direction.

### **3.5 Blazer subsidy (Direction 20)**

48. In paragraph 203 of Decision 22319-D01-2018, the Commission directed Blazer to update its subsidy amount based on foregoing a percentage of its depreciation and return, whereby that percentage is calculated by dividing the forecast number of homes for the year by 1,250.<sup>18</sup>

49. Blazer confirmed that it reflected this direction in Schedule 1.3 of its financial model, resulting in reductions to Blazer's depreciation and return of 55.2 per cent in 2019 and 52.3 per cent in 2020.<sup>19</sup>

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<sup>15</sup> In paragraph 17 of Decision 22319-D01-2018 there is a reference to paragraph 158 of that same decision and it should have referenced paragraph 175.

<sup>16</sup> Exhibit 24418-X0002.01, application, paragraph 70.

<sup>17</sup> Exhibit 24418-X0002.01, application, paragraph 73.

<sup>18</sup> 1,250 is the known number of homes that the water treatment plant was capable of serving at the close of record of Proceeding 22319.

<sup>19</sup> Exhibit 24418-X0002.01, application, paragraph 76.

50. The Commission has reviewed Blazer's subsidy calculations and concludes that Blazer calculated the subsidy based on the number of forecast homes divided by 1,250. Accordingly, the Commission finds that Blazer has complied with this direction.

### **3.6 Allocation of depreciation on capital additions to BPV and BRR connection (Direction 17)**

51. In paragraph 174 of Decision 22319-D01-2018, the Commission directed Blazer to allocate any capital additions made subsequent to the water treatment plant expansion assets (discussed above in Section 3.2.5) on the basis of water consumption.

52. Blazer stated that there have been no capital additions to these assets since their addition to rate base and no additions are forecast during the test period.<sup>20</sup>

53. The Commission confirms that Blazer has not made any capital additions to these assets based on the information filed on the record and therefore finds that Blazer has complied with this direction. However, the Commission considers that any future capital additions to these assets should be allocated on the basis of water consumption and directs Blazer to reflect this direction in any future GRA or to provide an explanation of why it is unable to comply with the direction.

### **3.7 Operating costs (directions 3-4, 25-26)**

54. The following four directions relate to specific operating costs included in Blazer's revenue requirement. These Commission directions relate to the general manager's salary, costs codes for the billing of operations of the water system by H2o Pro Inc., advertising and promotion, and bank charges.

55. In paragraph 92 of Decision 22319-D01-2018, the Commission directed Blazer to reduce to 80 per cent the amount of the general manager's salary allocated to Blazer's revenue requirement. Blazer confirmed that only 80 per cent of the general manager's salary was included in its revenue requirement<sup>21</sup> for the purposes of this compliance filing.

56. The Commission has reviewed Schedule 2 of Blazer's financial model and confirms that Blazer included 80 per cent of the general manager's salary in its revenue requirement. Accordingly, the Commission finds that Blazer has complied with this direction.

57. In paragraph 115 of Decision 22319-D01-2018, the Commission directed the following:

However, the Commission agrees with BPV with respect to the absence of an explanation regarding the splitting of O&M costs on the H2o Pro [H2o Pro Inc.] invoices into two costs codes. Blazer has not explained what these individual cost codes reflect in terms of the service provided by H2o Pro in a given month. As part of its compliance filing to this decision, the Commission directs Blazer to explain the difference between the two different cost codes on the H2o Pro invoices, why the charges are split on the invoices, how the two amounts appearing on the invoices were derived and any potential consequences of not splitting the amounts.

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<sup>20</sup> Exhibit 24418-X0002.01, application, paragraph 68.

<sup>21</sup> Exhibit 24418-X0002.01, application, paragraph 21.

58. Blazer stated that its internal accounting reports split out the H2o Pro invoice charges into three separate amounts to maintain tracking of incremental increases in the monthly contract rate and that the amounts correspond to the rate prior to July 31, 2016, from August 2016 to August 2017, and after August 2017. Blazer added that the consequences of not splitting the amounts would be minimal.<sup>22</sup>

59. The Commission accepts Blazer's explanation for why it is splitting the invoice amounts, in its internal accounting, by different cost codes and confirms that Blazer's supporting numbers reconcile with the amounts in the H2o Pro invoices. Therefore, the Commission finds that Blazer does not need to alter its internal accounting practice of splitting the invoice amounts for the H2o Pro charges and finds that Blazer has sufficiently complied with this direction.

60. In paragraph 232 of Decision 22319-D01-2018, the Commission directed Blazer to exclude any advertising expenditures from the advertising and promotion cost category, which Blazer described as "consumer relations." The Commission also directed Blazer to provide a breakdown of the non-advertising expenditures, such as website maintenance, that will remain in the cost category.

61. Blazer stated that it renamed this cost category to "consumer relations" rather than advertising and promotion. It confirmed that no costs were removed because the cost category was previously mislabelled and only consumer relations costs have been included in the category. Blazer added that the costs in this category relate primarily to the costs of maintaining Blazer's website.<sup>23</sup>

62. The Commission accepts Blazer's explanation of what costs are included in this cost category and that no advertising expenses are included. The Commission finds that Blazer's proposed labelling of this cost category as "consumer relations" is reasonable because it reflects the costs included in this line item. For these reasons, the Commission finds that Blazer has complied with this direction.

63. In paragraph 235 of Decision 22319-D01-2018, the Commission directed Blazer to establish separate general ledger accounts for bank charges and collection fees and to record the actual expenditures in the applicable account, starting in January 2019.

64. Blazer confirmed that the previous bank charges and collection fees cost category did not include any collection fees and changed the name of this account to "bank service charges." Blazer added that it does not have any collection fees from customers. To date, any collections have been handled in-house and written off as bad debt.<sup>24</sup>

65. The Commission accepts Blazer's explanation of how it handles collections and accepts that Blazer does not include any collections expenses. Accordingly, the Commission approves Blazer's renaming of this account to "bank service charges." Because of the absence of collection charges and the renaming of the specific account to bank service charges, it is not necessary for Blazer to establish separate general ledger accounts for bank charges and collection fees. Accordingly, Blazer has sufficiently complied with this direction.

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<sup>22</sup> Exhibit 24418-X0002.01, application, paragraphs 25-28.

<sup>23</sup> Exhibit 24418-X0002.01, application, paragraphs 89-92.

<sup>24</sup> Exhibit 24418-X0002.01, application, paragraphs 94-95.

### 3.8 Allocation of operating costs (directions 5 and 23)

66. In paragraph 123 of Decision 22319-D01-2018, the Commission directed Blazer to change the customer base allocator to volume based and remove the time-of-use allocator from its O&M cost schedules. The Commission allowed for Blazer to propose an alternative allocator if there were any costs that cannot reasonably be allocated based on volume.

67. Blazer stated that it updated its financial model, and there are no O&M or general and administrative costs allocated based on time-of-use. Blazer added that all costs for O&M shared assets are allocated based on volume.

68. Blazer submitted that it cannot reasonably allocate general and administration costs between potable water service and irrigation service based on consumption volumes. Blazer argued that these costs either relate entirely to potable water service or increase as a function of the number of customers, and do not vary as a function of volume. Blazer added that any unfairness resulting from allocating those costs between the 101 residential irrigation customers and one commercial irrigation customer has been resolved by treating the Lynx Ridge customers as a single bulk irrigation customer. Blazer submitted that its existing allocators for general and administrative costs are reasonable and that allocating those costs based on volume would allocate substantial costs to irrigation that are entirely for the benefit of potable customers, resulting in unfair subsidization.<sup>25</sup>

69. The Commission has reviewed Blazer's financial model and its reasons for its proposed allocators for general and administrative costs. The Commission accepts Blazer's explanation that these costs increase as a function of the number of customers and acknowledges that treating Lynx Ridge as a single irrigation customer leads to a more reasonable allocation of costs between irrigation customers. Accordingly, the Commission approves Blazer's proposed allocators for its OM&A expenses reflected in its costs schedules. Recognizing Blazer's explanation as to why general and administrative costs allocation based on volumes would not be reasonable, the Commission finds that Blazer has sufficiently complied with this direction.

70. In paragraph 222 of Decision 22319-D01-2018, the Commission directed Blazer to allocate the materials supplies and maintenance at the raw water pump station and electricity – river pump house cost categories based on water consumption.

71. Blazer confirmed that these cost categories were updated and will be allocated based on water consumption.<sup>26</sup>

72. The Commission reviewed Blazer's financial model and confirms that these two cost categories are now allocated based on water consumption. Accordingly, the Commission finds that Blazer has complied with this direction.

### 3.9 Certain O&M costs allocated to BPV and BRR (Direction 24)

73. In paragraph 231 of Decision 22319-D01-2018, the Commission directed Blazer to remove any costs that relate specifically to the BPV and BRR water systems for three O&M cost

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<sup>25</sup> Exhibit 24418-X0002.01, application, paragraph 36.

<sup>26</sup> Exhibit 24418-X0002.01, application, paragraph 83.

categories from its revenue requirement: (i) materials and maintenance for the distribution system; (ii) materials and maintenance of hydrants; and (iii) warranty expenses.

74. Blazer referred to the contingency fund referenced in paragraph 231 as a “reserve fund.” Blazer stated that the reserve fund is not used to cover any costs in Blazer’s revenue requirement but rather it funds the actual higher maintenance, repair and water loss costs, and capital expenditures for the older BPV and BRR water distribution systems.<sup>27</sup> BPV and BRR did not comment on Blazer’s response to this Commission direction.

75. For the purposes of this compliance filing decision, the Commission is prepared to accept that the costs covered by the reserve funds, and associated with the BPV and BRR water systems, are separate from and in addition to the costs included in the three O&M cost categories in paragraph 231 of Decision 22319-D01-2018, given Blazer’s statement that the reserve funds have not been used to cover any costs that are included in its revenue requirement. Accordingly, the Commission finds that Blazer has complied with this direction.

### **3.10 Capital costs allocators (Direction 27)**

76. In paragraph 241 of Decision 22319-D01-2018, the Commission directed Blazer to replace its time-of-use allocator for capital costs with the consumption allocator.

77. Blazer confirmed that capital costs previously allocated with the time-of-use allocator are now allocated using the water consumption allocator.

78. The Commission has reviewed Schedule 2.5 and schedules 12 through 12.5 of the revised application, and confirms that Blazer removed the time-of-use allocator for its capital costs and replaced it with an allocator based on water consumption. Accordingly, the Commission finds that Blazer has complied with this direction.

### **3.11 Rate design (Direction 28)**

79. In paragraph 252 of Decision 22319-D01-2018, the Commission directed Blazer to design its potable water rates using average water consumption data specific to its two potable water rate classes and directed Blazer to update the average water consumption data using actuals for 2016.

80. Blazer confirmed that it updated the average water consumption data in Schedule 4D of its financial model and reflected the allocation of costs based on water consumption specific to the two rate classes in Schedule 2.5. These changes were incorporated into the final rate calculations in schedules 3.3 and 3.4 of the model.

81. The Commission has reviewed these changes to Blazer’s financial model and concludes that the allocation based on rate class specific average water consumption, updated for 2016 actuals, is reflected in schedules 2.5, 3.3, 3.4 and 4D of Blazer’s financial model. Accordingly, the Commission finds that Blazer has complied with this direction.

### **3.12 Terms and conditions of service (directions 2, 21-22, 31-33)**

82. In paragraphs 76, 288 and 290 of Decision 22319-D01-2018, the Commission directed Blazer to file consolidated terms and conditions of service. Blazer submitted consolidated terms

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<sup>27</sup> Exhibit 24418-X0002.01, application, paragraph 85.

and conditions as Appendix B to its application and the Commission therefore finds that Blazer has complied with these three directions.

83. In paragraph 204 of Decision 22319-D01-2018, the Commission directed Blazer to add a clause to its terms and conditions to include a capital costs recovery fee, called a “connection fee.” In paragraph 205, the Commission directed Blazer to indicate whether it intends to charge the connection fee to new customers who are not part of new developments but rather existing homes, and to include a proposal for how existing homes will be addressed.

84. Blazer confirmed that it added to its terms and conditions a capital cost recovery fee, now referred to as a “tie-in-fee” and that the tie-in-fee will be charged to all new customers connecting to the water system.<sup>28</sup> The Commission has reviewed Blazer’s terms and conditions, and confirms that the tie-in-fee has been included in the terms and conditions of service. Accordingly, the Commission finds that Blazer has complied with these two directions.

85. In paragraph 294 of Decision 22319-D01-2018, the Commission directed Blazer to make changes to its terms and conditions necessary to reflect the change of the Lynx Ridge Estates community to a single irrigation customer. Blazer stated that it made those changes in its terms and conditions.

86. The Commission has reviewed Blazer’s terms and conditions and confirms that the required change has been made; that is, changing the Lynx Ridge Estates community to a single irrigation customer. Accordingly, the Commission finds that Blazer has complied with this direction.

### **3.13 Other directions (directions 29-30)**

87. In paragraph 277 of Decision 22319-D01-2018, the Commission directed Blazer to notify the Commission of any amendment to the Lynx Ridge Golf Course agreement or rates in its next GRA. Blazer confirmed that it will notify the Commission of any such changes in its next GRA. Therefore, no direction from the Commission is required as part of this compliance filing.

88. In paragraph 283 of Decision 22319-D01-2018, the Commission directed Blazer to confirm that it has implemented a one-time credit or charge to customers to dispose of an existing deferral account balance related to a complaint. Blazer confirmed that the credit or charge was implemented and provided a redacted breakdown of the credits and charges in Appendix C of its revised application.

89. The Commission has reviewed Appendix C to Blazer’s revised application and confirms that the one-time credit or charge has been implemented, as shown in Appendix C. Accordingly, the Commission finds that Blazer has complied with this direction.

## **4 Other matters**

90. Although the Commission has found in Section 3.9 above that Blazer has sufficiently complied with Direction 24 in paragraph 231, the Commission considers that further detail on the BPV and BRR reserve funds would assist the Commission in Blazer’s future GRAs to ensure that there are not unexpected effects on, or overlap with items included in, the revenue

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<sup>28</sup> Exhibit 24418-X0002.01, application, paragraphs 78-81.



requirements due to the existence and operation of the reserve funds. Accordingly, the Commission directs Blazer to include as part of its next GRA evidence on the status, continued operation of the reserve funds, corresponding assessments and costs covered by the reserve funds. If the reserve funds and assessments will no longer be applied, Blazer must file an explanation of why that is the case. Should a new GRA not be filed with the Commission by December 31, 2020, the Commission directs Blazer to provide the information subject to this direction, on the record of this proceeding, for acknowledgment by the Commission, by no later than December 31, 2020.

## **5 True-up of interim and final rates**

91. Interim rates were set in Decision 22319-D01-2018, effective January 1, 2019. Blazer is directed to file a true-up application with a proposal to reconcile its interim rates for 2019 approved in that decision and to reconcile these rates with the final rates approved in this decision. The true-up application must include a proposal for refunding or collecting amounts from customers. The true-up application must be filed with the Commission once billing on interim rates to October 31, 2019, is complete and Blazer has all the necessary billing information, but no later than January 31, 2020. The true-up amount, either a credit or a charge, for each rate class should be equal to the difference between the revenue collected on interim rates for January 1, 2019, to October 31, 2019, consumption, and the revenue that would have been collected during that period had final rates been in place. Once Blazer's true-up application is received by the Commission, the Commission will issue a notice of application and set out the process to allow customers to provide their comments on the true-up application.

**6 Order**

92. It is hereby ordered that:

- (1) Blazer Water Systems Ltd.'s 2019 and 2020 revenue requirement and final rates are approved, as filed, November 1, 2019.
- (2) Blazer Water Systems Ltd.'s terms and conditions of service are approved, effective November 1, 2019.
- (3) Blazer Water Systems Ltd. is directed to file a true-up application with a proposal to reconcile its interim rates for 2019, approved in Decision 22319-D01-2018, and to reconcile them with the final rates approved in this decision. The true-up application must be filed with the Commission by no later than January 31, 2020.

Dated on October 9, 2019.

**Alberta Utilities Commission**

*(original signed by)*

Neil Jamieson  
Commission Member

**Appendix 1 – Proceeding participants**

<b>Name of organization (abbreviation) Company name of counsel or representative</b>
Blazer Water Systems Ltd. (Blazer) Regulatory Law Chambers
Bearspaw Village Co-Operative (BPV)
Paul Griffin
Alberta Condominium Corporation 1110886
Susan Farrell
Esther Aichele
William Sawchuk

<p>Alberta Utilities Commission</p> <p>Commission panel N. Jamieson, Commission Member</p> <p>Commission staff A. Sabo (Commission counsel) C. Arnot E. Chu C. Burt D. Mitchell</p>
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## Appendix 2 – Summary of Commission directions

This section is provided for the convenience of readers. In the event of any difference between the directions in this section and those in the main body of the decision, the wording in the main body of the decision shall prevail.

1. The Commission confirms that Blazer has not made any capital additions to these assets based on the information filed on the record and therefore finds that Blazer has complied with this direction. However, the Commission considers that any future capital additions to these assets should be allocated on the basis of water consumption and directs Blazer to reflect this direction in any future GRA or to provide an explanation of why it is unable to comply with the direction..... paragraph 53
2. Although the Commission has found in Section 3.9 above that Blazer has sufficiently complied with Direction 24 in paragraph 231, the Commission considers that further detail on the BPV and BRR reserve funds would assist the Commission in Blazer's future GRAs to ensure that there are not unexpected effects on, or overlap with items included in, the revenue requirements due to the existence and operation of the reserve funds. Accordingly, the Commission directs Blazer to include as part of its next GRA evidence on the status, continued operation of the reserve funds, corresponding assessments and costs covered by the reserve funds. If the reserve funds and assessments will no longer be applied, Blazer must file an explanation of why that is the case. Should a new GRA not be filed with the Commission by December 31, 2020, the Commission directs Blazer to provide the information subject to this direction, on the record of this proceeding, for acknowledgment by the Commission, by no later than December 31, 2020..... paragraph 90
3. Interim rates were set in Decision 22319-D01-2018, effective January 1, 2019. Blazer is directed to file a true-up application with a proposal to reconcile its interim rates for 2019 approved in that decision and to reconcile these rates with the final rates approved in this decision. The true-up application must include a proposal for refunding or collecting amounts from customers. The true-up application must be filed with the Commission once billing on interim rates to October 31, 2019, is complete and Blazer has all the necessary billing information, but no later than January 31, 2020. The true-up amount, either a credit or a charge, for each rate class should be equal to the difference between the revenue collected on interim rates for January 1, 2019, to October 31, 2019, consumption, and the revenue that would have been collected during that period had final rates been in place. Once Blazer's true-up application is received by the Commission, the Commission will issue a notice of application and set out the process to allow customers to provide their comments on the true-up application. .... paragraph 91

### Appendix 3 – Terms and conditions of service



Appendix 3 - Terms  
and conditions of service

(consists of 35 pages)

# **TERMS AND CONDITIONS OF SERVICE**

## **Rates and Rules for Water Utility Service**

### **Blazer Water Systems Ltd.**

#104, 122 17th Avenue SE Calgary, AB T2G 1H2

Phone: (403) 475-0067 Fax (403) 269-9109

General Inquiries Email : [info@blazerwatersystems.ca](mailto:info@blazerwatersystems.ca)

Billing Inquiries Email: [billing@blazerwatersystems.ca](mailto:billing@blazerwatersystems.ca)

Website: [www.blazerwatersystems.ca](http://www.blazerwatersystems.ca)

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## INTERPRETATION

### 1. DEFINITIONS

1.1. The following defined terms, wherever used in these Terms and Conditions, shall have the meaning set forth below:

- (a) **"Application for Service"** means a written request by a person or Customer for Water Service, Other Service, and/or change in Service that includes the information set out in section 3.4 of these Terms and Conditions;
- (b) **"Application for Water Meter"** means the request for an Authorized Water Meter Kit from the Utility in the form set out in Schedule D hereto.
- (c) **"Authorized Premises"** means Premises which are entitled to, and authorized for, Water Service in accordance with these Terms and Conditions;
- (d) **"Authorized Water Meter"** means an installed water meter, inspected, approved, owned and operated by the Utility pursuant to these Terms and Conditions, for the purposes of measuring a Customer's water consumption;
- (e) **"Authorized Water Meter Kit"** means the equipment owned by the Utility and supplied to a Customer for the purpose of installing an Authorized Water Meter for metering or measuring water consumption including but not limited to a 3/4" water meter, a 3/4" threaded meter connection set, and a 3/4" diameter pressure reducing valve;
- (f) **"Commission"** means the Alberta Utilities Commission;
- (g) **"Customer"** includes a person who is an owner, occupant, builder, or developer of Premises who requests Water Service, including a person that submits to the Utility an Application for Service and/or an Application for Water Meter Application.
- (h) **"Notice"** means written notice provided by the Utility to a Customer via email, via regular mail to the last known postal address of the Customer or left at the Premises where water is delivered;



- (i) **“Other Service”** means the provision of Service other than Water Service including, but not limited to, alterations and repairs, reconnection of Water Service, removal of materials (such as ice or snow), and financing;
- (j) **“Premises”** means a lot or piece of ground including improvements thereon, to which Water Service is or will be provided by the Utility;
- (k) **“Rate Schedule”** means a schedule attached to and forming part of these Terms and Conditions, which sets out the charges for Water Service, Other Service and certain other related charges in connection with the provision of Service;
- (l) **“Service”** shall include:
  - (i) the supply of water provided by the Utility to the Customer; and
  - (ii) the plant, equipment, apparatus, appliances, property and facilities employed by or in connection with the Utility in providing the supply of water to the property line of the Authorized Premises;
- (m) **“Service Connection”** means the facilities owned by the Customer downstream from the Utility’s Waterworks to the Customer’s Premises, which are required to physically connect the Customer’s facilities to the Utility’s Waterworks;
- (n) **“Terms and Conditions”** means these Terms and Conditions of service, including the schedules attached hereto;
- (o) **“Utility”** means Blazer Water Systems Ltd. carrying on the business of a water utility, and its respective duly authorized officers, agents and employees;
- (p) **“Water Service”** means the delivery of water to a Customer, and includes potable water service and irrigation water service;
- (q) **“Waterworks”** means the physical plant owned and operated by the Utility, including the equipment, curb stop facilities, distribution pipes, reservoirs, pumping stations, meters and appurtenances employed by or used in connection with the Utility in providing Water Service or any Other Service.

## APPLICATION FOR SERVICE AND SERVICE AGREEMENT

### 2. AGREEMENT TO PROVIDE SERVICE

- 2.1. The Utility shall provide Service to Customers solely in accordance with these Terms and Conditions, including the Rate Schedules attached hereto.
- 2.2. The Utility shall maintain the right to refuse to provide Service if any of these Terms and Conditions herein are not met.

### 3. APPLICATION FOR SERVICE

- 3.1. A person becomes a Customer of the Utility when the Utility:
- (a) receives and accepts the person's Application for Water Meter;
  - (b) receives and accepts the person's Application for Service with payment for the Tie-in Fee if required under Schedule A of these Terms and Conditions; or
  - (c) provides Water Service to the person.
- 3.2. A Customer or applicant requesting the Utility to make available for pickup an Authorized Water Meter Kit shall apply to the Utility by submitting an Application for Water Meter in the prescribed form set out in Schedule D hereto.
- 3.3. A Customer or applicant requesting the Utility:
- (a) to provide Service to a new Customer,
  - (b) to transfer an existing account;
  - (c) to make alterations to an existing Service Connection, Authorized Water Meter, or other facility owned or operated by the Utility or connected to the Waterworks, or
  - (d) to update or change information on an existing account,

shall apply to the Utility by submitting an Application for Service that includes the relevant information set out in section 3.4 below.

An Application for Service may be submitted to the Utility via email to info@blazerwatersystemsltd.ca (preferred) or by mail to the Utility's office location.

3.4. An Application for Service must include the following information:

- (a) The purpose(s) for which the Service is to be used (i.e., domestic, commercial, irrigation, etc.);
- (b) The size (diameter) of the pipe planned by the Customer, and subject to approval by the Utility, through which water will be supplied from the Utility's Waterworks to the Customer's Premises;
- (c) The legal description of the Premises and municipal address;
- (d) The billing address and contact phone number(s) including emergency contact information for the person requesting Service;
- (e) Any other requested information as may be deemed relevant by the Utility.

#### **4. AUTHORIZED WATER METER**

- 4.1. All Customers are required to have an Authorized Water Meter installed at their Premises before the Utility can provide Water Service.
- 4.2. The Utility shall be the sole supplier of all Authorized Water Meter Kits required to install Authorized Water Meters and the sole supplier of all associated readout equipment.
- 4.3. To obtain an Authorized Water Meter Kit, the Customer or applicant shall submit to the Utility an Application for Water Meter in the prescribed form set out in Schedule D hereto.
- 4.4. After receiving a complete Water Meter Application from an applicant or Customer, the Utility will make available for pickup by the Customer an Authorized Water Meter Kit.
- 4.5. The Customer shall be responsible for all costs associated with installing the water meter using the Authorized Water Meter Kit as supplied by the Utility and in accordance with any specifications provided by the Utility.
- 4.6. The Customer must contact the Utility within seven days of picking up the Authorized Water Meter Kit to arrange an inspection of the installed meter.

- 4.7. Once the Utility has verified that installation is satisfactory, the Utility will approve the installed meter as an Authorized Water Meter. If the Utility determines in its sole discretion that the installation is deficient, the Customer will be responsible for the remediation of those defects, and a re-inspection will be required.
- 4.8. Additional fees will be charged for the re-inspection, as set out in the Rate Schedules.
- 4.9. After seven days from picking up the Authorized Water Meter Kit without having contacted the Utility to arrange an inspection, any person that uses water provided from the Utility's Waterworks shall be considered an Unauthorized User of Water subject to the associated penalty set out in the Rate Schedules.

## **SUPPLY OF WATER AND SERVICE INTERRUPTIONS**

### **5. SUPPLY OF WATER**

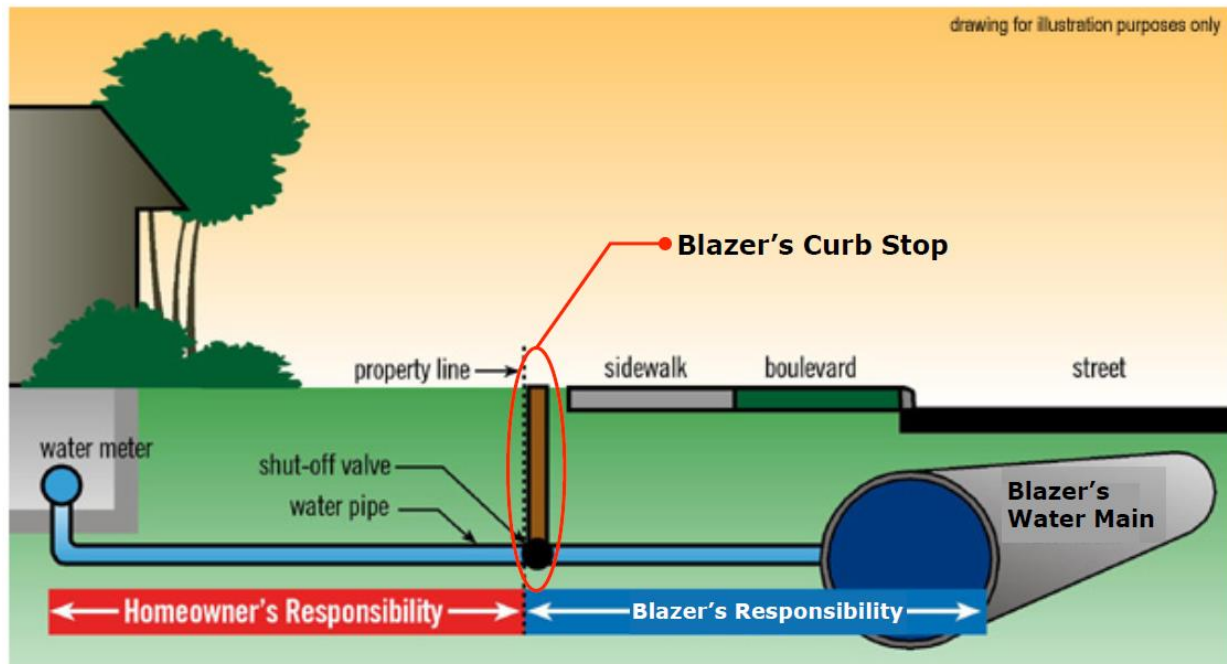
- 5.1. The Utility will supply potable water to Customers in accordance with Alberta Environment Approval 405-03-00, as amended or replaced from time to time, meeting the standards of Alberta Environment and at pressures and volumes consistent with Canadian urban area standards for domestic use.
- 5.2. The Utility intends to maintain at all times an adequate and continuous supply of potable water at suitable pressures but accepts no liability for interruptions due to circumstances beyond its control.

## **SERVICE FACILITIES**

### **6. SERVICE CONNECTIONS**

- 6.1. The Customer or applicant for Service, at its own expense, shall have installed the Service Connection from the Customer's Premises to the Utility's Waterworks.
- 6.2. As shown in the figure below, the Service Connection consists of the Customer's facilities downstream from the point of connection with the Utility's Waterworks but does not include the Authorized Water Meter.

## Homeowners (single-family homes and duplexes)



- 6.3. During construction of the Service Connection, Blazer may inspect the works to ensure its standards, the County's standards and Provincial requirements are being met.
- 6.4. If, in the Utility's opinion, an installed Service Connection has less than minimum ground cover, or other unsafe conditions exist, the Utility may direct the Customer to re-install sufficient ground cover and remedy any other conditions to meet the Utility's standards at the Customer's cost.
- 6.5. The Customer is solely responsible for all maintenance, including the cost of repairing the Service Connection, in the event of damage or failure of the Service Connection and ancillary fixtures, fitting and equipment.

### 7. CURB STOP

- 7.1. It shall be the responsibility of the Customer to ensure that the curb stop remains visible and accessible to Utility personnel at all times.

- 7.2. The Customer shall be responsible for the costs associated with locating the curb stop, where it is not visible or easily accessible, including any required excavation, as set out in the Rate Schedules.
- 7.3. The Customer shall be responsible for the costs to repair or replace a curb stop where such Customer failed to ensure the curb stop remained visible and accessible to Utility personnel at all times.
- 7.4. The water shall not be turned on at the curb stop for occupancy use until the Authorized Water Meter has been installed and approved by the Utility.

## **8. CONTAMINATION**

- 8.1. The Customer shall install two (2) shut off valves on each side of the water meter (two valves per meter installation) at each of the Customer's buildings in which water is used.
- 8.2. No Customer shall connect, cause to be connected, allow to be connected, or allow to remain connected, any piping, fixture, fitting, container or appliance in a manner which under any circumstances may allow water, waste water, or any harmful liquid, gas or substance to enter the Utility's water system.
- 8.3. No Customer shall permit the plumbing of a Premises to be connected to any source of water supply other than the Utility's, or to any potential source of contamination.
- 8.4. Where, in the opinion of the Utility, any condition is found to exist which is or may be contaminating the Waterworks, the Utility may, at its sole discretion, take one or more of the following actions:
  - (a) give Notice to the Customer requiring correction of the fault within a specified time period;
  - (b) require installation of a backflow prevention device on any pipe, at the Customer's expense; and
  - (c) immediately discontinue any Water Service until such time that the condition is corrected.

## 9. BACKFLOW PREVENTION DEVICE

- 9.1. The owner of any property on which an approved backflow prevention device is installed shall:
- (a) maintain the approved backflow prevention device in proper working order at all times;
  - (b) have the approved backflow prevention device tested upon installation and thereafter annually, or more often if required by the Utility, by a certified cross connection tester approved by the Utility to demonstrate that the device is in good working condition; and
  - (c) submit a report in the form set out in Schedule E attached hereto upon installation of the device and thereafter annually within 30-days of such test on any or all tests performed.
- 9.2. If the backflow prevention device does not pass inspection, it must immediately be reported to the Utility, and then repaired or replaced within five business days and re-inspected at the Customer's expense. All test results, including descriptions of any repairs, are to be reported on the proper test report form obtained from the Utility. The completed test report forms shall be returned to the Utility within 30 days after the inspection is completed. The test reports will be registered and maintained by the Utility.
- 9.3. Where, in the opinion of the Utility, a hazard exists, Water Service to a Customer shall be provided only on the provision that the Customer install, on the Customer's facilities, an approved backflow prevention device. This device will be in addition to any approved backflow prevention device(s) installed on the Customer's water piping at the source of potential contamination.
- 9.4. The Utility shall not be required to perform any work on pipes or fittings that are not the property of the Utility unless there is a concern for the safety or performance of the Utility's Waterworks. Should the Utility be called upon for assistance, and the Utility chooses to provide such assistance, the Customer who requested assistance shall pay an hourly Service charge to cover costs associated with the call out and/or subsequent repair of faulty pipes or fittings belonging to the Customer. The bill is due and payable upon receipt. Should the Utility choose not to issue a separate bill, or payment is not received before

the Customer's next regular water bill is processed; the charges shall be added to the Customer's water bill.

## **10. INTERFERENCE WITH THE UTILITY'S FACILITIES**

- 10.1. The Customer shall provide a minimum of 72 hours' notice in writing prior to connecting into the Utility's Waterworks, or in advance of any excavation work to be conducted on the Premises and shall immediately advise of any damage occurring to the Service Connection, Authorized Water Meter, or the Waterworks (including curb stop facilities).
- 10.2. A Customer shall not construct any permanent building or structure over a Service Connection or otherwise contravene the Utility's policies.
- 10.3. A Customer shall not install or allow to be installed on property owned or controlled by the Customer any temporary or permanent buildings or structures that could interfere with the proper and safe maintenance and operations of the Utility's facilities.
- 10.4. The Customer shall be responsible for keeping clear and accessible all easements and/or right of ways on the property owned or controlled by the Customer so as to allow and permit easy access to the Utility's facilities. No Customer or person shall obstruct or impede free and direct access to any Service Connection, curb stop, water main valve, cross connect control, fire hydrant, meter, remote reader, or other appurtenances of the Utility's Waterworks.

## **11. AUTHORITY OF WORK**

- 11.1. No person who is not an agent or employee of the Utility shall make any connections with, or alterations to, or tamper with, any of the Utility's Waterworks, including any distribution water mains or water meters belonging to the Utility, nor turn on or off any valve or curb stops of the Utility, without authorization in writing (including via email) by the Utility. Should a Customer, their agent or employee, or any related third party contravene this prohibition, then the Customer will be subject to any costs incurred by the Utility to repair damages caused by the Customer or third party, in addition to any fee or fine set out in the Rate Schedules.



## 12. UTILITY RIGHT OF ACCESS

- 12.1. As a condition of Water Service, the Customer must give the Utility a right of entry to the Customer's Premises.
- 12.2. In situations of perceived emergency, the Utility may use reasonable force in securing access to its equipment for inspection, disconnection, and repair. The Utility will do as little damage and cause as little inconvenience as reasonably possible in doing such work.

## 13. UTILITY'S RIGHT TO RESTRICT SERVICE

- 13.1. The Utility shall have the right at all times to restrict or suspend the supply of water to any Customer's Premises without advance Notice, in order to effect such emergency repairs, replacements, alterations, or extensions to the Utility's Waterworks as shall, in the opinion of the Utility, be deemed necessary.
- 13.2. The Utility may require any of its Customers, at all times or between specified hours, to discontinue, interrupt or reduce to a specified use or quantity, the usage of water for any of the following purposes or reasons:
- (a) in the event of a temporary or permanent shortage of water, whether actual or perceived by the Utility;
  - (b) in the event of a breakdown or failure of the supply of water to the Utility or of the Utility's water storage or distribution systems;
  - (c) to conserve water supply, including, but not limited to, restricting or prohibiting the use of water for gardening, irrigation, sprinkling, air conditioning or filling of hot tubs or pools or other restrictions as the Utility deems reasonable and appropriate;
  - (d) in order to comply with any legal requirements;
  - (e) in order to make repairs or improvements to any part of the Utility's Waterworks, including but not limited to the water distribution or storage systems;
  - (f) in the event of fire, flood, or other emergency in order to safeguard persons or property against the possibility of contamination or damage; and

(g) to comply with an order as issued by any authority having jurisdiction over the Utility.

- 13.3. The Utility will, to the extent practicable, give Notice of its requirements and removal of its requirements, to its Customers by Notice.
- 13.4. Whenever possible the Utility will give advance Notice of the restriction or shut off in Water Service, and, in cases where the Utility expects Water Service to be interrupted for twenty-four (24) hours or more, the Utility will attempt to provide forty-eight (48) hours of Notice to its Customers.
- 13.5. If, in the opinion of the Utility, a Customer failed to comply with any requirement under section 13.2, the Utility may, after providing Notice to the Customer, either levy a charge as listed in the Rate Schedules or discontinue Service to the Customer.
- 13.6. A Customer who contravenes water use restrictions for water conservation purposes is subject to one warning Notice per year. Each subsequent contravention during that year is subject to the charge set out in the Rate Schedules.

#### **14. AUTHORIZED WATER CONSUMPTION AND RESTRICTIONS**

- 14.1. The Customer shall use due care to prevent any waste of water and will immediately notify the Utility in case of failure of equipment or leakage of water.
- 14.2. Should there be evidence of leaking or waste of water on the Customer's property, the Utility shall provide Notice the Customer and may order the repair of any leaky pipes and fixtures that are evident on the Premises.
- 14.3. If repairs are not made within five business days after any such Notice, or if the condition of the Customer's pipes or fixtures is such as to cause serious waste of water or risk of damage to property, then without further notice the Utility may shut off the water supply to the Premises.

## BILLING AND MEASUREMENT

### 15. BILLING

- 15.1. The Utility will bill the Customer in accordance with the applicable Rate Schedules attached to these Terms and Conditions, payable at the Utility's office or at any duly authorized collecting agency.
- 15.2. A Customer may arrange for payment via pre-authorized debit by submitting the required information set out in a Pre-Authorized Debit Form that the Utility may make available on its website.
- 15.3. The total amount of each bill is due and payable on receipt by the Customer. If not paid within 30 days of the invoice date, interest will be charged at 18% per annum, as set out in the Rate Schedules, calculated and compounded monthly on any outstanding balance.
- 15.4. If a cheque received by the Utility from a Customer in payment of a bill is not honoured by the Customer's financial institution for any reason, the Utility will include a charge set out in the Rate Schedules in the next bill to the Customer for processing the returned cheque whether or not the Service has been disconnected.
- 15.5. The Utility may require a Customer to provide a security deposit if a Customer has an outstanding balance. If required, the amount of the security deposit will be determined as an amount equal to the Customer's average monthly bill times three.
- 15.6. If a Customer fails to pay a bill within 60 days of the invoice date, the Utility will provide Notice to a Customer that is has an overdue account.
- 15.7. If no response is received from a Customer within seven days of the Utility providing Notice of an overdue account, the Utility will provide a final Notice in the form of a registered letter notifying such Customer of its overdue account and a date by which payment must be received to avoid Service being disconnected.
- 15.8. If a Customer fails to make payment by the date indicated on the final Notice, the Utility may disconnect Service.

- 15.9. If it becomes necessary to disconnect Service for non-payment, the full amount due plus a disconnection fee and reconnection fee, as set out in the Rate Schedules, will be required before Service is reconnected.

## 16. MEASUREMENT AND METER READING

- 16.1. The Customer is responsible to pay in full and on time whether the bill has been based on estimated or actual readings.
- 16.2. The amount of water registered by the Authorized Water Meter during each billing period will be converted to cubic meters and rounded to the nearest cubic meter.
- 16.3. If for any reason the Utility is required to estimate the water consumption of a Customer for any given period, the following procedure will be followed:
- (a) The estimate will be based on the Customer's historical use on the property for which a water consumption estimate is required.
  - (b) In the event that insufficient history exists to produce a reasonable estimate, the estimate will be calculated on the basis of an average of the water consumption for similar properties in the same area, and at the least would be the Utility's minimum monthly charge for the Premises.
  - (c) In the event that the meter is working but the remote is broken or inaccessible the Utility may bill using one of the above methods and include any necessary adjustments on the first invoice after a proper reading is taken. If the Utility is unable to read the meter due to meter failure and the Customer does not allow the Utility to resolve the issue within a 30 day period after written Notice is given, the meter shall be deemed to be "inaccessible" and the Premises will be subject to disconnection and applicable charges.

## 17. REFUSAL OF SERVICE AND DISCONTINUANCE OF SERVICE

- 17.1. The Utility may discontinue Service or refuse to supply Service to a Customer with 15 days Notice, for any of the following reasons:
- (a) a Customer's account becomes one month or more overdue, and payment has not been received at the Utility's office during normal working hours prior to expiry of the Notice period;
  - (b) the Customer has failed to pay any required security deposit, equivalent form of security, or post a guarantee or required increase in the security deposit by the specified date;

- (c) the Customer occupies the Premises with another person who has failed to pay the Utility bill, security deposit, or required increase in the security deposit in respect of another Premises which was occupied by that Person and the Customer at the same time; or
- (d) inability of the Utility to gain admittance to the Premises to read the meter for a period of three consecutive months.

17.2. The Utility may discontinue Service without Notice or refuse to provide Service to a Customer for any of the following reasons:

- (a) the Customer has failed to provide reference information and identification acceptable to the Utility when applying for Service or at any subsequent time on request by the Utility;
- (b) the Customer knowingly or negligently misrepresents any information required for Service provided to the Utility;
- (c) the Customer uses water or has requested the supplying of water in such a manner as in the Utility's opinion may contaminate the Waterworks;
- (d) the Customer receiving Service at the Premises fails to comply with any Notice concerning potential contamination;
- (e) in the Utility's opinion, the condition of the Customer's pipes or fixtures is such as to cause or potentially cause serious waste of water or damage to property;
- (f) the Customer fails to make repairs, modifications or additions to the Customer's equipment which have been required by the Utility, or fails to protect the Utility's water meter from elements of nature or other materials, within the prescribed time periods specified by the Utility;
- (g) in the event of fire, flood, or other emergency in order to safeguard persons, or property against the possibility of contamination, injury, or damage;
- (h) the Customer breaches any of these Terms and Conditions upon which Service is provided to the Customer by the Utility, or, if a notice period is

provided to the Customer, fails to remedy such breach within the prescribed Notice period by order of the Utility pursuant to these Terms and Conditions;

- (i) the Customer fraudulently misrepresents to the Utility its use of water or the volume delivered;
- (j) the Customer tampers with or alters a water meter with the intent of altering the consumption measurement, or incites another party to tamper with a water meter;
- (k) the Customer is in receivership or bankruptcy, or operating under the protection of any insolvency legislation, and has failed to pay any outstanding bills to the Utility;
- (l) the Customer vacates the Premises;
- (m) the Utility is ordered to cease supplying water to the Customer by a duly authorized government agency;
- (n) necessary repairs to the Utility's Waterworks; or
- (o) failure, temporary or permanent, of the availability of water.

17.3. In the case of infractions by the Customer listed in Section 17.2 above, the Utility may take such further action as deemed appropriate by the Utility, and physically disconnect the Customer's Water Service.

17.4. Where Water Service is discontinued or disconnected for failure to pay a bill when due or for non-compliance with any other of these Terms and Conditions, the Utility shall not permit a resumption of Water Service for any such Customer until proof of compliance with the Terms and Conditions is demonstrated, and until all outstanding debts and applicable Service charges, as set out in the Rate Schedules, have been paid in full.

17.5. No person whose Water Service is discontinued pursuant to these Terms and Conditions shall have any claim whatsoever against the Utility for discontinuance of Water Service.

## LIABILITY AND INDEMNITY PROVISIONS

### 18. LIMITATIONS ON LIABILITY

- 18.1. The Utility, its employees, consultants, contractors or agents are not responsible or liable for any loss, damage, costs or injury (including death) incurred by any Customer or any person claiming by or through the Customer caused by or resulting from, directly or indirectly, installation, presence, maintenance and operation of the Water Service or any discontinuance, suspension or interruption of, or failure or defect in the supply or delivery of, or refusal to supply, or deliver water, or provide Service, unless the loss, damage, costs or injury (including death) is directly attributable to the gross negligence or willful misconduct of the Utility, its employees, or agents, provided however that the Utility, its employees and agents are not responsible or liable for any loss of profit, loss of revenues, consequential damages or economic loss even if the loss is directly attributable to the gross negligence or willful misconduct of the Utility, its employees, contractors or agents.
- 18.2. No person whose Water Service is discontinued pursuant to these Terms and Conditions shall have any claim whatsoever against the Utility for discontinuance of water supply. This includes but is not limited to the Utility not being liable for any damage caused, or appearing to be caused, by the breaking of any water main, any attachment, or other portion of the Waterworks, or for any losses caused by temporary or permanent discontinuance of water for the purposes of repairing, maintaining, cleaning, or for the connection of pipes.
- 18.3. The Customer is responsible for all expense, risk, and liability with respect to the use or presence of water after it passes into the Customer's Premises and the Customer's portion of Service Line.
- 18.4. The Customer is responsible for all expense, risk, and liability with respect to the Utility-owned facilities serving the Customer's Premises if any loss or damage is caused, or contributed to, by any act or omission of the Customer or a person for whom the Customer is responsible.
- 18.5. The Customer is responsible for all expense, risk and liability with respect to all water meters and related equipment at the Customer's Premises to the extent that damage is attributable to the negligence or willful misconduct of the Customer, its employees, contractors, invitees, tenants or agents, which includes any action or inaction of a



Customer that causes, directly or indirectly, an Authorized Water Meter or related equipment to freeze or become otherwise damaged.

- 18.6. The Customer will indemnify and hold harmless the Utility, its employees, contractors and agents from all claims, loss, damage, costs or injury (including death) suffered by the Customer or any person claiming by or through the Customer or any third party caused by or resulting from the use of water by the Customer or the presence of water in or on the Customer's Premises, or by the Customer or Customer's employees, contractors or agents damaging the Utility's facilities.

## **19. FORCE MAJEURE**

- 19.1. Notwithstanding any other term or condition contained herein, neither party shall be liable to the other for failure to carry out its obligations hereunder when such failure is caused by force majeure as hereinafter defined. The term force majeure means civil disturbance, industrial disturbances (including strikes and lockouts), arrests and restraints of rulers or people, interruptions by government or court orders, present or future valid orders of any Commission or body having proper jurisdiction, acts of public enemy, wars, riots, blockades, insurrections, failure or inability to secure materials, permits or labours by reason or priority regulations, or orders of government, serious epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, explosions, breakage or accident to machinery or lines of pipes, or pipelines, temporary failure of water supply, an act or omission of the Utility, or any other causes or circumstances to the extent such cause or circumstance was beyond the control of and occurred without negligence on the part of the party prevented from carrying out its obligations by the act of force majeure.
- 19.2. Any causes or contingencies which entitle a party to claim force majeure shall not relieve it from liability in the event of its concurring negligence, or in the event of its failure to use due diligence to remedy the situation or remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes and contingencies affect the performance of the obligations hereunder and relieve either party from the obligation to make payments of amounts then due or thereafter accruing due hereunder. It is understood and agreed that the settlement of strikes or lockouts shall be entirely at the discretion of the party affected.

## Schedule A: Tie-in-Fees

For the lots of new properties that require connecting to the Utility's Waterworks, the Utility shall require a new Customer connecting to the Utility's Waterworks to pay, or to have paid on their behalf, a capital cost recovery fee ("**Tie-in-Fee**") in the amount of \$2000 per lot. The payment of the Tie-in-Fee by a land developer, or otherwise, for connecting lots will ensure that new Customers pay their fair share of the capital costs of the Utility's water system.

## Schedule B: Rates for Water Service

Customer Class	2018	2019	2020
Lynx Ridge Golf Course Commercial Customer (per cubic metre)	N/A	\$0.220	\$0.224
Lynx Ridge Estates Irrigation Customer Group (per cubic metre)	N/A	\$0.92	\$0.92
All Potable Water Customers			
Monthly Fixed Fee	N/A	\$32.86	\$33.45
All Residential Potable Water Customers excluding Bearspaw Village and Blueridge Rise Customers			
Variable Consumption Charge (per cubic metre) up to 60 cu.m./month	N/A	\$3.03	\$2.72
Variable Consumption Charge (per cubic metre) over 60 cu.m./month	N/A	\$6.05	\$5.43
Potable Water Customers living in Bearspaw Village and Blueridge Rise Communities			
Variable Consumption Charge (per cubic metre) up to 60 cu.m./month	N/A	\$1.66	\$1.72
Variable Consumption Charge (per cubic metre) over 60 cu.m./month	N/A	\$3.32	\$3.44

## Schedule C: Service Charges

The following standard fees and charges will be applicable to the provision of Water Service to applicants or Customers. Charges for obtaining Water Service are intended to recover the Utility's cost in responding to the request. The nature of the request will determine the appropriate charges.

### Utility Cost

“**Utility Cost**” means the Utility will invoice the Customer for the cost of doing the work at the direct cost paid by the Utility for such work.

Utility Cost shall include:

- the actual cost paid by the Utility for materials, equipment, and other supplies plus a 15% administrative fee;
- the costs for the time spent by Utility staff and/or the contract operator to perform some or all of the work determined based on the following hourly rates:
  - (a) Utility Staff / Contract Operator (regular time): \$125.00 per hour or portion thereof.
  - (b) Utility Staff / Contract Operator (after hours / overtime): \$200.00 per hour or portion thereof.
- the actual costs paid by the Utility for other contracted services plus a 15% administrative fee.

### Meter and Remote Reader

- Supply of Authorized Water Meter Kit and initial inspection of water meter: Utility Cost.
- Subsequent Inspection of water meter: From \$175, up to Utility Cost.
- Testing of water meter at Customer's request: Utility Cost.
- Testing of water meter at Utility's request: No charge.

### Removal of materials to access water meter, curb stop or other Utility infrastructure<sup>1</sup>

- First occurrence: \$85.00.
- Subsequent occurrence: \$135.00.

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<sup>1</sup> Removal of materials includes removal of piled snow but does not otherwise include access to buried infrastructure

**Excavation of buried or inaccessible curb stop or other Utility infrastructure (Utility is not liable for damage to property)**

- Each occurrence (less than 150mm under soft landscaping/planting): \$85.00.
- Each occurrence (under driveway, sidewalk, or other hard surface or more than 150mm under soft landscaping): Utility Cost.
- Repair or replacement of damage to curb stop: Utility Cost.

**Disconnection / Reconnection Fees**

- Turn on Water Fee for New Service: \$200.
- Turn on/off water at Customer's request: \$100.00.
- Disconnection of Service: \$300.00, or up to Utility Cost.
- Reconnection after Disconnection of Service: \$200.00, up to Utility Cost.
- Unauthorized use or tampering with curb stop, including attempts to turn on or turn off water: \$250.00, or up to Utility Cost.

**Contravention of Water Use Restrictions**

- First offence for water conservation order: Warning.
- First offence (all others): \$100.00.
- Subsequent offences: \$200.00.

**Administration and Other Service Charges**

- Water Meter Application Administration Fee: \$75.00.
- New Service Application Administration Fee: \$75.00.
- Late payment charge: 18% per month on outstanding balance.
- Returned cheque charge: \$25.00.
- Standby Water Availability Charge: \$20 per month.
- Historical billing information, First Request: No charge.
- Historical billing information, each subsequent Request in 24-month period: Utility Cost.

**Unauthorized/Illegal Use of Water**

- An “**Unauthorized User of Water**” means a person that causes to be connected facilities to the Utility's Waterworks without having requested Service in accordance with these

Terms and Conditions and/or using water from the Utility's Waterworks without having an approved Authorized Water Meter installed at its Premises in accordance with these Terms and Conditions.

- A person that has been found to be an Unauthorized User of Water shall be subject to a fine of \$5,000 payable to the Utility for the unauthorized and illegal taking of water from the Utility without consent and for the risk of harm and/or actual harm caused to Utility's Waterworks and other Customers.
- The Utility may, in addition to the \$5,000 fine for unauthorized use of water, back charge an Unauthorized User of Water for the water volumes taken without consent based on the Utility's estimated consumption (e.g., estimated volumes for an Unauthorized User of Water found to be taking water without consent for landscaping use and/or for residential construction).
- The Utility may take such further and other action including but not limited to requesting law enforcement to investigate whether the conduct of the Unauthorized User of Water may constitute a criminal offence under the laws of Canada.

## **Schedule D: Blazer Water Meter Application Form<sup>2</sup>**

### **Water Meter Connection Information**

#### **When do you submit this Water Meter Application form?**

This Water Meter Application form must be submitted to Blazer Water Systems Ltd. ("Blazer") before Blazer can provide Water Service to a Premise not previously served by Blazer. Typically, this Water Meter Application is submitted by the builder when construction commences, and the Premises reach heat on/lock up stage.

#### **When do you request and install a meter?**

Blazer will make an Authorized Water Meter Kit available for pickup by a Customer **after** receiving and accepting a completed Water Meter Application. A Customer (typically a builder) can obtain an Authorized Water Meter Kit by emailing [info@blazerwatersystemsltd.ca](mailto:info@blazerwatersystemsltd.ca) to book an appointment for pick up.

An Authorized Water Meter Kit will be provided by Blazer and typically includes:

- one 3/4" water meter;
- one 3/4" threaded meter connection set; and
- one 3/4" diameter pressure reducing valve ("PRV") with a range of 25-75 psi, the ideal setting is 65 psi.

The fee for the Authorized Water Meter Kit is at Utility Cost, an amount based on the cost to Blazer as set out in Blazer's Terms and Conditions. This amount is charged as part of the first bill issued to the Customer. The Customer (typically a builder) is responsible for installing a water meter using the equipment and materials included in the Authorized Water Meter Kit.

#### **Once the Customer (typically a builder) has completed the installation of the PRV (if required) & water meter:**

- The Customer must contact Blazer within 7 days of picking up the Authorized Water Meter Kit to arrange an inspection of the installed water meter.
- Once Blazer has verified that installation is satisfactory, Blazer will approve the installed meter as an Authorized Water Meter.
- If Blazer determines that the installation is deficient, the Customer will be responsible for the remediation of those defects, and a re-inspection will be required. Additional fees will be charged for any required re-inspection(s), as set out in the Rate Schedules.
- Once Blazer has verified that the installation is satisfactory, usage billing will begin.

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<sup>2</sup> Defined terms used herein have the meaning ascribed in Blazer's Terms and Conditions of Service, as approved by the Alberta Utilities Commission from time to time.

**In summary, the steps in the process are:**

1. Contact Blazer by email (preferred), phone or fax.
2. When construction commences, submit this Water Meter Application form to Blazer.
3. When you reach heat on/lock up stage request and arrange pick up of the Authorized Water Meter Kit.
4. Pick up the Authorized Water Meter Kit and install the water meter.
5. Contact Blazer within 7 days of picking up the Water Meter Kit to arrange an inspection of the installed water meter.
6. Complete any remedial work required by Blazer following the first inspection and have re-inspected.

**Irrigation Zoning Note:**

The homeowner/builder should note that, when designing the zones in the irrigation systems within the property, the maximum demand for the irrigation system at any one time should be limited to not more than 18 usg/m.

**Curb Stop Note:**

During construction, it is the builder's responsibility to ensure the curb stop is ACCESSIBLE AT ALL TIMES. If a builder fails to ensure the curb stop remains visible, and Blazer is required to do the work required to reach the curb stop, extra charges will apply. Residents are similarly responsible for ensuring curb stop accessibility after occupancy.

**Blazer Water Emergency Line :**

**24 hr Emergency**

**Phone : ( 403 ) 921 - 8949**



### **Water Meter Application General Procedure Summary**

- Read the Water Meter Connection Information at the beginning of this application.
- To apply for your new water meter, complete and return this Water Meter Application to Blazer.

### **This Water Meter Application should be submitted at the commencement of construction**

- Once your building reaches the lock up and heat on stage, please contact Blazer immediately to arrange a time to pick up your Authorized Water Meter Kit(s). Meter kits are available for pickup from Blazer within 24 hours of Blazer confirming your pick up request.
- You have 7 days from time of pick up to install your meter and have it inspected in order to prevent illegal use of water.

For pick up of your meter kit and to book a follow up inspection after installation is complete, please call or email: Blazer Water Systems Ltd. Phone: (403) 403-475-0067 or Email: [info@blazerwatersystemsltd.ca](mailto:info@blazerwatersystemsltd.ca).

Authorized Water Meter Kit pick-ups and inspections are scheduled daily from Monday to Friday between 9:00am-2:00pm.

## Water Meter Application Form

Please fill out the following information and email, fax or mail to

### Blazer Water Systems Ltd.

#104, 122 17<sup>th</sup> Avenue SE, Calgary, AB, T2G 1H2

**Email:** info@blazerwatersystems.ca

**Fax:** (403) 269-9444 **Office:** (403) 475-0067

Address for Water Service	
Authorized Water Meter Kit Anticipated Pick up Date	
<b>Builder Information:</b>	
Name of Builder and Contact Person:	
Business Address:	
Billing Address (if different than Business Address):	
Builders Phone Number(s):	
Builders email (s):	
<b>Resident Information:</b>	
Name(s) of Resident(s):	
Resident Billing Address (if different than Address for Water Service):	
Quick Possession: Y / N	
Resident Mailing Address Prior to Move-in:	
Resident Phone Number(s):	
Resident Email:	

The first bill from Blazer Water Systems Ltd. will include the cost for the Authorized Water Meter Kit and the first inspection of the installed water meter. This first bill typically be sent to the builder. The builder will also be responsible for payment of water usage from the date of the meter installation until the homeowner takes occupancy. REMEMBER, it is the builder's responsibility to notify the Utility of the possession date and to provide the necessary contact information for the resident in order to allow the Utility to begin billing the resident.

The water meter applicant shall be responsible for all costs associated with installing a functional and accurate water meter, as supplied by the Utility, which will measure the amount of potable water being supplied to the property. I acknowledge that the Utility will inspect the installed meter,

and will not supply potable water to the property unless and until the meter and its installation are satisfactory to the Utility.

I am aware that it is strictly prohibited to connect to the Utility's Waterworks without having an Authorized Water Meter installed. An Unauthorized User of Water can be fined up to \$5,000.00 in addition to applicable charges for water.

**Signature(s) of Property Owner/Builder:**

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Print Name:

DATE (D-M-Y):


**Signature(s) of Property Owner /Builder:**

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Print Name:

DATE (D-M-Y):

## Schedule E: Cross Connection Testing & Inspection Report



# CROSS CONNECTION CONTROL TESTING AND INSPECTION REPORT

p: 403.475.0067 | f: 403.269.9109  
e: dale@blazerwatersystemsstd.ca | w: www.blazerwatersystemsstd.ca  
Suite 104, 122 17th Avenue SE, Calgary, Alberta T2G 1H2

ADDRESS OF DEVICE		OCCUPANT		CONTACT		TELEPHONE NUMBER	
OWNER		ADDRESS OF OWNER		POSTAL CODE		TELEPHONE NUMBER	
SERIAL NUMBER		MAKE		MODEL		TELEPHONE NUMBER	
REPLACES SERIAL NUMBER		BUILDING		LOCATION OF ASSEMBLY (ie. ROOM NUMBER)		DB/MM/YYYY	
TYPE OF TEST		<input type="checkbox"/> INITIAL <input type="checkbox"/> ANNUAL <input type="checkbox"/> REPAIR <input type="checkbox"/> TESTERS AWWMA NUMBER		(NSI CALLED ON) <input type="checkbox"/> PREMISES-ISOLATING DEVICE <input type="checkbox"/> INTERNAL DEVICE <input type="checkbox"/> DOMESTIC <input type="checkbox"/> FIRE <input type="checkbox"/> IRRIGATION <input type="checkbox"/> OTHER		TELEPHONE NUMBER FAX NUMBER	
BUSINESS NAME		BUSINESS ADDRESS		POSTAL CODE		FAX NUMBER	
<input type="checkbox"/> AAG (2 x Diameter)		<input type="checkbox"/> RP / RPE ASSEMBLY		CHECK VALVE 2 <input type="checkbox"/> LEAKED <input type="checkbox"/> CLOSED TIGHT		<input type="checkbox"/> DCVA, DCVAF, SCVAF CHECK VALVE 1 <input type="checkbox"/> LEAKED <input type="checkbox"/> CLOSED TIGHT	
Outlet Diameter In _____ mm (2nd or 3rd or greater)		PRESSURE DIFFERENTIAL ACROSS 1st CHECK VALVE (no flow) In _____ mm (2nd or 3rd or greater)		A _____ - B _____ = C _____ PSI lPa		<input type="checkbox"/> PVB / SBPVB ASSEMBLY AIR INLET VALVE CHECK VALVE <input type="checkbox"/> LEAKED <input type="checkbox"/> CLOSED TIGHT	
AG Size In _____ mm		STATIC INLET LINE PRESSURE AT TIME OF TEST PSI lPa		TEST RESULT <input type="checkbox"/> PASSED <input type="checkbox"/> FAILED		TEST DATE DD/MM/YYYY	
CHECK APPLICABLE VALVES: If the device fails the initial test for any reason, complete the sections below, noting the repairs and retest results.							
CHECK APPLICABLE REPAIR <input type="checkbox"/> CLEANED / REPLACED <input type="checkbox"/> DISC <input type="checkbox"/> SPRING <input type="checkbox"/> DIAPHRAGM <input type="checkbox"/> SEAT <input type="checkbox"/> GUIDE <input type="checkbox"/> O-RINGS <input type="checkbox"/> POPEP <input type="checkbox"/> REPAIR KIT							
<input type="checkbox"/> AAG (2 x Diameter)		<input type="checkbox"/> RP / RPE ASSEMBLY		CHECK VALVE 2 <input type="checkbox"/> LEAKED <input type="checkbox"/> CLOSED TIGHT		CHECK VALVE 1 <input type="checkbox"/> LEAKED <input type="checkbox"/> CLOSED TIGHT	
Outlet Diameter In _____ mm (2nd or 3rd or greater)		PRESSURE DIFFERENTIAL ACROSS 1st CHECK VALVE (no flow) In _____ mm (2nd or 3rd or greater)		A _____ - B _____ = C _____ PSI lPa		<input type="checkbox"/> DCVA, DCVAF, SCVAF CHECK VALVE 1 <input type="checkbox"/> LEAKED <input type="checkbox"/> CLOSED TIGHT	
AG Size In _____ mm		STATIC INLET LINE PRESSURE AT TIME OF TEST PSI lPa		TEST RESULT <input type="checkbox"/> PASSED <input type="checkbox"/> FAILED		TEST DATE DD/MM/YYYY	

1. Certify the above device has been tested in accordance with the Rocky View County Water/Wastewater Utilities Bylaw C-7663-2017 and Cross Connection Control Manual WIC AWWA.

SIGNATURE OF CERTIFIED TESTER \_\_\_\_\_ DATE DD/MM/YYYY

REMARKS/COMMENTS \_\_\_\_\_

FOR OFFICE USE ONLY \_\_\_\_\_

DATE DD/MM/YYYY

## **Schedule F: Arrangement for Residential Raw Water Irrigation Service to the Lynx Ridge Community**

### **1. CUSTOMER RELATIONS**

- 1.1. The Property Manager for the Alberta Condominium Corporation 1110886 (the “**Condominium Corporation**”) (the “**Property Manager**”) shall be responsible for addressing all irrigation related Customer-specific concerns from the 101 residents residing in the Lynx Ridge community.
- 1.2. The Property Manager shall be the sole interface with the Utility, and the Property Manager shall deal directly with the Utility’s General Manager.
- 1.3. The Utility will only address residential irrigation Customer issues through the Property Manager. The Utility is only required to respond to the Property Manager who will contact the Utility and act as the single point of contact with the Utility on behalf of the residents residing in the Lynx Ridge community being the irrigation Service end-users.

### **2. BILLING**

- 2.1. The Utility will issue one bill per month throughout the irrigation season, typically April to October, to the Property Manager.
- 2.2. The Property Manager is responsible for collections from the individual residents residing in the Lynx Ridge community.
- 2.3. Billing shall be based on the actual consumption readings at the two bulk irrigation meters located at the Residential Irrigation Pump Station.
- 2.4. The Property Manager shall settle the bill within 30 days.
- 2.5. In the event of no payment or late payment, the Utility may shut off the irrigation water supply until such time as payment is received.

## **Schedule G: Reserve Fund and Reserve Fund Collection Mechanism for Legacy Distribution Systems**

### **1. BEARSPAW VILLAGE RESERVE FUND AND RESERVE FUND COLLECTION MECHANISM**

1.1. Customers connected to the legacy Bearspaw Village water distribution system ("**BPV Customers**"), previously serviced by Bearspaw Village Co-Operative Ltd ("**B.V. Co-Op**"), acknowledge that at the time the BPV Customers became Customers' of the Utility, B.V. Co-Op acknowledged and agreed as follows:

- (a) the B.V. Co-Op had approximately \$450,000 in funds set aside to support the various activities and requirements of B.V. Co-Op;
- (b) Monies from the that fund would initially be made available to the B.V. Co-Op and Blazer Water Systems Ltd. reserve fund (the "**BPV Reserve Fund**") as required to pay for necessary water connections, upgrades, and repairs;
- (c) Over time, the BPV Reserve Fund would become self-sustaining and would be funded and maintained in accordance with sections 1.2 to 1.7 below.

1.2. For BPV Customers, a fixed amount of \$30 per month will be included in each monthly bill that will be added to the BPV Reserve Fund (the "**BPV Reserve Fund Assessment**").

1.3. Each month, the Utility will determine the total volume of water supplied to the B.V. Co-Op system and the Utility will compare this volume to the total of all of the meter readings from each of the 88 homes (and one lot) (the "**Home Total**"). Any water supplied to B.V. Co-Op in excess of the Home Total multiplied by 110% will be invoiced to B.V. Co-Op and will be paid for from the BPV Reserve Fund. If the leakage is found to be excessive, repair work will be undertaken as described in Section 1.5 below.

1.4. The Utility will from time to time recommend replacement, improvement, upgrade and repair work which it believes necessary for the proper operation of the Bearspaw Village water distribution system. Similarly, B.V. Co-Op can request that the Utility make certain repairs or improvements to the distribution system which the Utility will, subject to the work not being detrimental to other aspects of the system, thereafter incorporate into its work program.

- 1.5. In general, all replacement, improvement, upgrade and repair work to the Bearspaw Village water distribution system will be paid for by B.V. Co-Op from the BPV Reserve Fund. The Utility will provide B.V. Co-Op two months' Notice, except in the case of emergency, of any planned expenditures and will provide a schedule of when these planned expenditures will occur. In the event any planned expenditures are forecast to exceed \$15,000, the Utility will provide B.V. Co-Op, for B.V. Co-Op's review and acceptance, at least three independent quotations for the work in question along with the Utility's recommendation for who should perform the work. Prior to any work being undertaken (except in case of emergency), B.V. Co-Op, acting reasonably, will provide to Blazer in writing, notice of its concurrence and approval.
- 1.6. The BPV Reserve Fund Assessment will be reviewed annually by the Utility and the B.V. Co-Op so as to ensure the BPV Reserve Fund balance is maintained at an appropriate level to cover forecasted expenditures.
- 1.7. The BPV Reserve Fund Assessment will be collected by the Utility and thereby will be remitted to B.V. Co-Op on a quarterly basis. B.V. Co-Op will thereafter disperse monies from the BPV Reserve Fund to individual BPV Customers as required.

## **2. BLUERIDGE RISE COMMUNITY RESERVE FUND AND RESERVE FUND COLLECTION MECHANISM**

- 2.1. Customers connected to the legacy Blueridge Rise water distribution system ("**BRR Customers**") acknowledge that at the time the BRR Customers became Customers of the Utility, the BRR Customers agreed as follows:
  - (a) the BRR Customers would create a Reserve Fund (the "**BRR Reserve Fund**") that would become self-sustaining and will be funded and maintained in accordance with section 2.2 to 2.5 below; and
  - (b) the BRR Reserve Fund, including all future BRR Reserve Fund Assessments, would be retained at all times by the Utility and would be made available to the Utility for its use in carrying out those activities described in sections 2.3 to 2.5 below.
- 2.2. For BRR Customers, a fixed amount of \$30 per month will be included in each monthly bill that will be added to the BRR Reserve Fund (the "**BPR Reserve Fund Assessment**").

- 2.3. The BRR Reserve Fund Assessment will be reviewed annually by the Utility so as to ensure the BRR Reserve Fund balance is maintained to an appropriate level to cover forecasted expenditures.
- 2.4. The Utility shall from time to time recommend replacement, improvement, upgrade and repair work which it believes necessary for the proper operation of the BRR water distribution system.
- 2.5. In general, all replacement, improvement, upgrade and repair work to the BRR water distribution system will be paid for from the BRR Reserve Fund. The Utility will endeavor to give the Blueridge Rise Community two months' Notice, except in the case of emergency, of any planned expenditures and construction and will provide a schedule of when these planned expenditures and construction will occur.