



**Utilities Kingston
Report to Council
Report Number 17-321**

To: Mayor and Members of Council
From: Jim Keech, President and CEO, Utilities Kingston
Resource Staff: Randy Murphy, Chief Financial Officer
Sherry Gibson, Senior Advisor, Rates and Regulatory Affairs
Date of Meeting: November 28, 2017
Subject: Approval of Rate Changes for 2018 Appliance Rental Business

Executive Summary:

This report specifically deals with the proposed rate changes for the 2018 Appliance Rental Business, including the appropriate by-law changes relating to the appliance rental portion of the Miscellaneous Charges and Appliance Rental Rates by-law.

Recommendation:

That Council approve:

1. The proposed appliance rental rates adjustments as detailed in this report, effective January 1, 2018.
2. By-Law Number 2017-XX being a By-Law to Amend By-Law No. 2012-22 "A By-Law to Impose Miscellaneous Charges and Appliance Rental Rates (Utilities Kingston)" to reflect the approved appliance rental rates 2018 (Exhibit A), be presented for all three readings.

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Authorizing Signatures:

ORIGINAL SIGNED BY PRESIDENT & CEO, UTILITIES KINGSTON

**Jim Keech, President and CEO
Utilities Kingston**

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Lanie Hurdle, Commissioner, Community Services	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	Not required
Denis Leger, Commissioner, Corporate & Emergency Services	Not required

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Options/Discussion:

This report specifically deals with the proposed rate changes for the appliance rental business.

No changes are proposed to the miscellaneous service charges portion of the by-law that imposes miscellaneous charges and appliance rental rates. Utilities Kingston periodically reviews these charges and provides updates when required.

Appliance Rental Rates

The Appliance Rental Business implemented in 1996 operates as a competitive market driven business. The rental rates are reviewed on an annual basis and updated as required. These rates are geared to achieve competitiveness within the market.

It is proposed that the changes to the appliance rental business rates become effective January 1, 2018.

Exhibit A of this report provides the by-law amendment Appendix “B” Appliance Rental Business Hot Water Heater Rental Rates effective January 1, 2018.

The following chart shows the residential water heater product offerings, the approved residential water heater monthly rental rates for current offerings and the proposed residential water heater rental rates for 2018.

Appliance Rental Business Residential Water Heaters	Current 2017	Proposed January 1, 2018	
	<u>Monthly Rate</u>	<u>Monthly Rate</u>	<u>Yearly Impact</u>
Natural Gas Traditional Units:			
40 gal Standard	\$16.82	\$17.16	\$4.08
50 gal Standard	\$17.94	\$18.26	\$3.84
60 gal Standard	\$18.04	\$18.44	\$4.80
50 gal Direct Vent	\$25.90	\$26.42	\$6.24
40 gal Power Vent	\$26.37	\$26.90	\$6.36
50 gal Power Vent	\$27.02	\$27.56	\$6.48
50-62 Power Vent	\$29.35	\$29.94	\$7.08
60 gal Power Vent	\$26.71	\$27.78	\$12.84
75 gal Power Vent	\$40.79	\$41.61	\$9.84
50/80 gal Power Vent	\$40.79	\$41.61	\$9.84
Electric Units:			
40 imp gal	\$12.74	\$12.99	\$3.00
60 imp gal	\$14.20	\$14.48	\$3.36

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Existing Policy/By-Law:

By-Law Number 2012-22 A By-law to Impose Miscellaneous Charges and Appliance Rental Rates (Utilities Kingston), as amended.

Notice Provisions:

Not applicable.

Accessibility Considerations:

Not applicable.

Financial Considerations:

As discussed in the report.

Contacts:

Jim Keech, President and CEO, Utilities Kingston, 613-546-1181, X2217

Randy Murphy, Chief Financial Officer, Utilities Kingston, 613-546-1181, X2317

Sherry Gibson, Sr. Advisor Rates & Regulatory Affairs, Utilities Kingston, 613-546-1181 X2383

Sean Meleschuk, Vice-President, Utilities Kingston, 613-546-1181X2400

Other City of Kingston Staff Consulted:

Not applicable

Exhibits Attached:

Exhibit A - Proposed By-Law Number 2017-XX - A By-Law to Amend By-Law Number 2012-22 "A By-Law to Impose Miscellaneous Charges and Appliance Rental Rates (Utilities Kingston)", as amended, and the proposed Appliance Rental Rates Appendix "B" to be effective January 1, 2018.

BY- LAW NO. 2017-XX

A By-Law to Amend By-Law Number 2012-22 “A By-Law to Impose Miscellaneous Charges and Appliance Rental Rates (Utilities Kingston)”

PASSED: Meeting date, 2017

The Council of The Corporation of the City of Kingston hereby enacts as follows:

- 1. By-Law Number 2012-22 of the Corporation of the City of Kingston entitled, “A By-Law to Impose Miscellaneous Charges and Appliance Rental Rates (Utilities Kingston)”, as amended, is hereby further amended as follows:
 - a. Appendix “B” is hereby deleted in its entirety and replaced with the new Appendix “B” attached hereto and marked as Schedule ‘B’.
- 2. This By-Law and Appendix “B” shall come into force and take effect on January 1, 2018.

GIVEN ALL THREE READINGS AND PASSED Meeting date, 2017

**CITY CLERK
JOHN BOLOGNONE**

**MAYOR
BRYAN PATERSON**

Appendix "B"

Schedule "B"

Utilities Kingston Appliance Rental Business

Water Heater Rental Rates

Effective January 01, 2018

Appliance Rental Business Residential Water Heaters	
	<u>Monthly Rate</u>
Natural Gas Traditional Units:	
40 gal Standard	\$17.16
50 gal Standard	\$18.26
60 gal Standard	\$18.44
50 gal Direct Vent	\$26.42
40 gal Power Vent	\$26.90
50 gal Power Vent	\$27.56
50-65 Power Vent	\$29.94
60 gal Power Vent	\$27.78
75 gal Power Vent	\$41.61
50/80 gal Power Vent	\$41.61
Electric Units:	
40 imp gal	\$12.99
60 imp gal	\$14.48

Non-residential and other appliance rental rates are charged at appropriate competition market rates.