

Utilities Kingston Report to Council Report Number 21-055

To: Mayor and Members of Council

From: Jim Keech, President & CEO, Utilities Kingston

Resource Staff: Sherry Gibson, Senior Advisor, Rates and Regulatory Affairs

Date of Meeting: January 26, 2021

Subject: Approval of 2021 and 2022 Rate Changes for Miscellaneous

Charges and Appliance Rental Business

Executive Summary:

This report specifically deals with the proposed rate changes for the 2021 Miscellaneous Charges for water, sewer, and gas utilities, and the 2021 and 2022 Appliance Rental Business, including the appropriate By-Law changes.

Recommendation:

That Council approve:

- 1. The proposed Miscellaneous Charges and Appliance Rental rates adjustments as detailed in this report, effective March 1, 2021, with a subsequent increase to the Appliance rental rates effective January 1, 2022.
- 2. By-Law Number 2021-XX being a By-Law to Amend By-Law Number 2012-22 "A By-Law to Impose Miscellaneous Charges and Appliance Rental Rates (Utilities Kingston)" to reflect the approved rates (Exhibit A), be presented for all three readings.

Page 2 of 19

Authorizing Signatures:

Jim Keech, President & CEO,

Utilities Kingston

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Community Services	Not required
Peter Huigenbos, Commissioner, Business, Environment & Projects	Not required
Brad Joyce, Commissioner, Corporate Services	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	Not required
Sheila Kidd, Commissioner, Transportation & Public Works	Not required

Page 3 of 19

Options/Discussion:

This report specifically deals with the proposed rate changes for the (a) Miscellaneous Service Charges for water, sewer, and natural gas utilities and for the (b) proposed rate changes for the Appliance Rental Business.

(a) Miscellaneous Service Charges

Miscellaneous service charges are fees that Utilities Kingston charges customers for specific services that are not related to the normal provision of the basic utility services.

Utilities Kingston has reviewed these charges for reasonability and is providing recommended updates. No new charges are proposed.

It is proposed that the rate changes to Miscellaneous Service Charges become effective March 1, 2021.

We are proposing an update to two miscellaneous charge types; the bulk water usage charge and the wastewater disposal (septage) charge amounts, as detailed in the following chart. The updated Miscellaneous Charges schedule is attached in Appendix "A" of Exhibit A.

By-law schedule number	Miscellaneous Service Charge Type	Current Charge	2021 March Charge
15.	Bulk Water Usage Charge Applicable when customer takes water on a bulk basis. (Includes commercial water hauling operations.) a. Commodity charge	• \$2.22/m ³	• \$2.27/m ³
19.	Wastewater Disposal (Septage) Applicable to septage haulers that dump their loads into our municipal wastewater system. Tank load charges based on 90% of rated capacity of tank. a. Non-Industrial Waste	• \$12.81/m³ (non-	• \$13.07/m³ (non-
	a. Non-industriai vvaste	• \$12.81/m³ (non-industrial)	 \$13.07/m³ (non- industrial)
	b. Industrial Waste	• \$16.71/m ³ (industrial waste)	 \$17.04/m³ (industrial waste)

Page 4 of 19

With respect to the above-noted changes, these charges are proposed to increase to reflect an inflationary 2% update to costs to provide the service and more competitive pricing in comparison to neighbouring communities surveyed that offer these services.

(b) Appliance Rental Rates

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

It is proposed that the changes to the appliance rental business rates become effective March 1, 2021, with a subsequent increase of 2.0% effective January 1, 2022.

Exhibit A of this report provides the by-law amendment Appendix "B" Appliance Rental Business Hot Water Heater Rental Rates effective March 1, 2021, and January 1, 2022.

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 effective March 1, 2021.

Appliance Rental Business	Occurrent	Proposed	
Residential Water Heaters	Current	March 1, 2021	
	Monthly Rate	Monthly Rate	Annualized Impact
Natural Gas Traditional Units:			
40 gal Standard	\$17.87	\$18.23	\$4.32
50 gal Standard	\$19.02	\$19.40	\$4.56
60 gal Standard	\$19.21	\$19.59	\$4.56
50 gal Direct Vent	\$27.51	\$28.06	\$6.60
40 gal Power Vent	\$28.69	\$29.26	\$6.84
50 gal Power Vent	\$28.69	\$29.26	\$6.84
50-65 Power Vent	\$31.17	\$31.79	\$7.44
60 gal Power Vent	\$28.93	\$29.51	\$6.96
75 gal Power Vent	\$43.31	\$44.18	\$10.44
50/80 gal Power Vent	\$43.31	\$44.18	\$10.44
Electric Units:			
40 imp gal 60 imp gal	\$13.54 \$15.09	\$13.81 \$15.39	\$3.24 \$3.60

Page **5** of **19**

The following chart shows the residential water heater product offerings, the proposed March 1, 2021 residential water heater monthly rental rates for current offerings and the proposed residential water heater rental rates effective January 1, 2022.

Appliance Rental Business	Proposed	Proposed	
Residential Water Heaters	March 1, 2021	January 1, 2022	
	Monthly Rate	Monthly Rate	Annualized Impact
Natural Gas Traditional Units:			
40 gal Standard	\$18.23	\$18.59	\$4.32
50 gal Standard	\$19.40	\$19.79	\$4.68
60 gal Standard	\$19.59	\$19.98	\$4.68
50 gal Direct Vent	\$28.06	\$28.62	\$6.72
40 gal Power Vent	\$29.26	\$29.85	\$7.08
50 gal Power Vent	\$29.26	\$29.85	\$7.08
50-65 Power Vent	\$31.79	\$32.43	\$7.68
60 gal Power Vent	\$29.51	\$30.10	\$7.08
75 gal Power Vent	\$44.18	\$45.06	\$10.56
50/80 gal Power Vent	\$44.18	\$45.06	\$10.56
Electric Units:			
40 imp gal	\$13.81	\$14.09	\$3.36
60 imp gal	\$15.39	\$15.70	\$3.72

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.

Page 6 of 19

Accessibility Considerations:

Not applicable.

Financial Considerations:

As discussed in the report.

Contacts:

Jim Keech, President and CEO, Utilities Kingston, 613-546-1181, X2217
Heather Roberts, Director, Water and Wastewater Services, 613-546-1181, X2400
Kevin McCauley, Chief Customer and Technology Officer, 613-546-1181, X2247
Sherry Gibson, Sr. Advisor Rates & Regulatory Affairs, Utilities Kingston, 613-546-1181 X2383

Other City of Kingston Staff Consulted:

Not applicable.

Exhibits Attached:

Exhibit A - Proposed By-Law Number 2019-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 Appendix "A" and Appendix "B" to be effective March 1, 2021 and January 1, 2022.

BY- LAW NUMBER 2019-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, 2021

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 "A" is hereby deleted in its entirety and replaced with the new Appendix "A" attached hereto and marked as Schedule 'A'.
 - b. 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 "A" and Appendix "B" shall come into force and take effect on March 1, 2021.

GIVEN ALL THREE READINGS AND PASSED Meeting date, 2021

CITY CLERK MAYOR

JOHN BOLOGNONE BRYAN PATERSON

Schedule "A"

Effective March 01, 2021

Charges that are dependent upon the time when the work is requested to be conducted are based on the following time definitions:

Regular Hours: 08:00-16:30 Monday-Friday, except holidays

Extended Hours: 16:30-18:30 Monday-Friday, except holidays

After Hours: All other times and all holidays

	,		
	Miscellaneous Service Charge Type	<u>Charge</u>	
1.	Account Setup/Change of Occupancy Applicable per utility service, (Water/Sewer is considered one utility service for this purpose) when a customer is moving into a new service address.	\$15/utility service	
2.	Initial Service Connection Applicable when customer requests service to be connected during these hours:		
	a. Regular Hours With 24 hour notice	No Charge	
	b. Regular Hours With Less Than 24 hour notice, and Extended Hours	• \$90	
	c. After Hours	• \$205	
3.	Service Call Applicable when a trip is made to investigate a customer's call for assistance when it is a customer's responsibility.	Actual Costs + 20% (\$80-\$140/hour/person)	

4.	Shut-Off / Turn-On Service Applicable when a customer requests the utility service to be shut-off or turned-on for the customer's convenience. If the "shut-off" and "turn-on" occurs on the same day and within Regular and Extended Hours, this will be considered one trip. An emergency shut-off will not attract a charge, though the turn-on will.		
	a. Regular Hours and Extended Hours with 24 hour notice	•	\$90/trip
	b. Regular Hours and Extended Hours with less than 24 hour notice	•	\$110/trip
	c. After Hours	•	\$205/trip for the initial call up to 2 hours, \$130 per hour for every additional hour over 2 hours
5.	Reconnection Charge – (Due to Non Payment of Account) Applicable when a trip is made to reconnect a service that has been disconnected for non-payment of an account.		
	a. Regular Hours	•	\$65 + charge for any gas appliance light-ups @\$15/appliance
	b. After Hours	•	\$185 + charge for any gas appliance light-ups @\$15/appliance

Т

6.	To Repair or Replace Metering Equipment Applicable when meter is required to be repaired or replaced as a result of freezing, abuse, lack of care, damage, etc., where it is customer's responsibility.	
	a. Regular Hours and Extended Hours	\$115 + material cost of meter repair/replacement
	b. After Hours	\$290 + material cost of meter repair/replacement
	c. Repeated Occurrences: All Hours	Actual costs
7.	Dispute Meter Charge Applicable when customer questions the accuracy of a meter and the meter is removed for a dispute test.	Charges only apply if customer's meter is proven to be accurate.
	a. Water Meters	
	i. 1" Water Meter and Smaller	• \$225
	ii. 1¼" – 3" Water Meter	• \$350
	iii. Over 3" Water Meter	Actual costs
	b. Gas Meters	
	i. Residential	• \$150
	ii. Commercial	• \$210

		1
8.	Locates A request to locate public utility services underground. a. For Utilities Kingston managed infrastructure	No charge (first 2 times)
	b. Other situations may be subject to the hourly	 \$90/hour/person (3rd and subsequent time)
	rate, including excessive remarks where notification has been given, engineering pre construction work:	
	 i. Regular Hours (only available when all locates bookings are within 5 days) 	• \$90/hour/person
	ii. Extended hours and After hours	\$255 for the initial call, additional \$160 for each hour over 2 hours
	Private infrastructure locates are competitive work and will be quoted on a case by case basis.	Hodi over 2 Hodis
9.	Missed Appointment Applicable when an appointment has been made and the customer misses the appointment; (subject to waiver due to special circumstances).	• \$45/person
10.	Additional Meter Read Applicable when a customer requests their meter to be read, or a special trip is required to attempt to get a read as a result of problems associated with access to the meter.	• \$30/trip
11.	Service Pipe Leak Repair Applicable when a customer requests a leak to be repaired on a service pipe between street line and building (i.e. up to meter).	
	a. Water Service Pipe Repairs	Actual costs + 20%
	b. Gas Service Pipe Repairs	No charge

12.	Requests for Billing Information Applicable when customer requests reprints of bills, supplemental billing or metering information, arrears verification.	Actual costs (\$45/hour)
13.	Other Work At Customer's Request Applicable when a customer requests other work to be performed by Utilities Kingston.	
	a. For work which is not normally done by private contractors	Actual costs
	b. For work which may be done by private contractors	Actual costs + 20%
14.	To Thaw Water Service Pipe Applicable when a customer requests Utilities Kingston to attempt to thaw water line from the building.	
	a. If the water service is frozen within the wall of the house, or between the house and the property line, it is the responsibility of the customer to have the water service thawed.	Actual costs + 20%
	b. If the water service is frozen between the street line and the watermain, it is the responsibility of Utilities Kingston.	No charge
15.	Bulk Water Usage Charge Applicable when customer takes water on a bulk basis. (Includes commercial water hauling operations.)	
	a. Commodity charge	• \$2.27/m ³

16.	Water Meter Installation Charge Charges are based on the size of water service and metering requirements and installation is performed during Regular Hours. Charge is paid with the building permit.	
	a. Positive Displacement Type Meter 5/8" to 2" sizes available.	Actual costs will be billed (meter and installation) Expected cost range from \$240 - \$920 based on meter size.
	b. Mag Type Meter 3" to 12" sizes available.	Actual costs will be billed (meter and installation) Expected cost range from \$5,185 - \$22,810 based on meter size.
17.	Use of the Jet-truck When there is a request to have a private lateral cleared using the Jet-truck a charge will be applied. (Regular Hours) a. Regular Hours b. Extended and After Hours	 \$225/hour \$590 for the initial call, additional \$350 for each hour over the 2 hours
18.	Service Lateral Inspection and Rodding Charge For special requests for the wastewater lateral to be viewed using camera and rodded. a. Regular Hours b. Extended and After Hours	 \$225/hour \$590 for the initial call, additional \$350 for each hour over the 2 hours

19.	Wastewater Disposal (Septage) Applicable to septage haulers that dump their loads into our municipal wastewater system. Tank load charges based on 90% of rated capacity of tank.	
	a. Non-Industrial Waste	• \$13.07/m³ (non-industrial)
	b. Industrial Waste	 \$17.04/m³ (industrial waste)
20.	Natural Gas Leak Detection Survey Applicable when a customer requests a natural gas leak detection survey be done of pipes, equipment, and appliances that are a customer's responsibility.	
	a. Regular Hours	• \$105/hour/person
	b. Extended and After Hours	\$275 for the initial call, additional \$160 for each hour over the 2 hours

21. Gas Code Equipment/Appliance Installation Inspection

Applicable when a customer/contractor requests a gas inspection to be conducted of the installation of any new natural gas equipment/appliances.

- a. New gas service (i.e. part of inspection of a new gas service installation to building)
 - i. Initial inspection if requested to be done during:
 - 1) Regular Hours with 24 hour notice
 - 2) Regular Hours with Less Than 24 hour notice, and Extended Hours
 - 3) After Hours
 - ii. Follow-up inspections due to code violations if requested to be done during:
 - 1) Regular Hours with 24 hour notice
 - 2) Regular Hours with Less Than 24 hour notice, and Extended Hours
 - 3) After Hours
- b. Existing Gas Service
 - i. Regular Hours with 24 hour notice
 - ii. Regular Hours with Less Than 24 hour notice, and Extended Hours
 - iii. After Hours

- No Charge
- \$100
- \$245 for the initial call, additional \$145 for each hour over the 2 hours
- \$100
- \$120
- \$245 for the initial call, additional \$145 for each hour over the 2 hours
- \$100
- \$120
- \$245 for the initial call, additional \$145 for each hour over the 2 hours

22.	Water/Wastewater Connection/Alteration Permit Application Fee Applicable when a customer requests a connection or an alteration to an existing connection to the water distribution system or to the wastewater	•	\$100
	system. This fee does not cover costs of materials required or labour to perform the connection/alteration.		
23.	Water/Wastewater Lateral Stub Fees Where an Owner applies for a Water/Wastewater Connection/Alteration Permit in order to connect or disconnect the water or wastewater lateral and the water or wastewater lateral stub exists in the road as a result of an installation completed by the City of Kingston then the following fees shall apply in addition to any other fees for the connection.	•	Water Lateral Stub Fee \$2,450 Wastewater Lateral Stub Fee \$2,750
24.	Disconnection of Services – Water/Sewer Inspection Fee Applicable when the customer arranges for the disconnection of water or sewer service lateral connections from the water distribution system or the sewer works. The inspection is to ensure the services have been satisfactorily disconnected from the municipal systems.	•	\$135
25.	Discharge Exception – Storm Water Application Fee Applicable upon submission of a Discharge Exception Storm Water Application.	•	\$150
26.	Short Version – Discharger Information Report Fee Applicable upon submission of a Short Version Discharger Information Report by an owner or operator of an industrial, commercial or institutional premises prior to the discharge of sewage, storm water, cooling water or uncontaminated water to a sewage works, as required, and in accordance to the provisions of the sewer-use by-law.	•	\$50
27.	Long Version – Complete Discharger Information Report Fee Applicable upon submission of a Complete Discharger Information Report by a discharger to the sewage works, as requested by a Manager, in accordance to the provisions of the sewer-use by- law.	•	\$100
28.	Sampling & Analytical Fees Applicable where sampling is required to determine the content and strength of discharged sewage.	•	\$200 per sample

29.	Temporary Remedial Groundwater Treatment Discharge Fee Applicable where temporary discharge of treated groundwater is in compliance with the sewer-use by-law.	\$500 plus the applicable volumetric wastewater rate charge per m³ for all volume as per the water and wastewater rates by-law rate schedule.
30.	Subdivision Inspections Applicable when a Developer submits requests for subdivision inspections	
	a. Preliminary Certificate of Approval of Underground Services	 First Inspection: No Charge Additional Inspections: \$250 each
	b. Preliminary Certificate of Approval of the Works	 First Inspection: No Charge Additional Inspections: \$250 each
	c. Final Certificate of Approval of the Works	 First Inspection: No Charge Additional Inspections: \$250 each
31.	Lost/Damaged Water Hauler Card or Septage Card To recover partial costs incurred to replace a lost/damaged water hauler or septage card (labour, equipment, and administrative costs).	\$100 per replacement card

Schedule "B"

Utilities Kingston Appliance Rental Business

Water Heater Rental Rates

Effective March 01, 2021

Appliance Rental Business Residential Water Heaters		
Natural Gas Traditional Units:	Monthly Rate	
40 gal Standard	\$18.23	
50 gal Standard	\$19.40	
60 gal Standard	\$19.59	
50 gal Direct Vent	\$28.06	
40 gal Power Vent	\$29.26	
50 gal Power Vent	\$29.26	
50-65 Power Vent	\$31.79	
60 gal Power Vent	\$29.51	
75 gal Power Vent	\$44.18	
50/80 gal Power Vent	\$44.18	
Electric Units:		
40 imp gal 60 imp gal	\$13.81 \$15.39	

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

Utilities Kingston Appliance Rental Business Water Heater Rental Rates

Effective January 01, 2022

	<u>, , , , , , , , , , , , , , , , , , , </u>
Appliance Rental Business	
Residential Water Heaters	
	<u>Monthly Rate</u>
Natural Gas Traditional Units:	
40 gal Standard	\$18.59
50 gal Standard	\$19.79
60 gal Standard	\$19.98
50 gal Direct Vent	\$28.62
40 gal Power Vent	\$29.85
50 gal Power Vent	\$29.85
50-65 Power Vent	\$32.43
60 gal Power Vent	\$30.10
75 gal Power Vent	\$45.06
50/80 gal Power Vent	\$45.06
Electric Units:	
40 imp gal	\$14.09
60 imp gal	\$15.70

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