

Order No. 2251

PROVINCE OF BRITISH COLUMBIA
OFFICE OF THE DEPUTY COMPTROLLER OF WATER RIGHTS

IN THE MATTER OF the *Water Utility Act* and
the *Utilities Commission Act*

and

IN THE MATTER OF

an Application by

Parr Utilities Ltd.

**For
Revenue Requirements and
Water Rates Effective January 1, 2010,
Water Rates Effective January 1, 2011 and
Final Water Tariff No. 3**

DECISION WITH REASONS AND ORDER

Dated this 17th day of December 2010

BEFORE:

Pieter J. Bekker, Deputy Comptroller of Water Rights
PO Box 9340 STN PROV GOV'T, Victoria, BC V8W 9M1

File: 0321093

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1.0 Background

1.0.1 Preamble

This is a decision on a Revenue Requirements and Water Rate Increases Application by Parr Utilities Ltd. (“Parr” or “the Utility”). The authority for this decision is vested in me under the Water Utility Act and the Utilities Commission Act.

The main issues to be decided by me are whether to confirm, set aside or vary the projected Revenue Requirements for 2010 and 2011, Interim Tariff effective January 1, 2010, the final proposed retail rates effective January 1, 2011 and the final proposed bulk water/wholesale rates effective December 1, 2010.

WHEREAS:

1. On March 25, 2009 Parr made an initial Application for a Certificate of Public Convenience & Necessity (CPCN) approval to construct and operate developer related main extensions to provide potable water to a 52 lot bare land strata subdivision and a hotel and approval of an Interim water rate increase with support for the rates to be filed in July, 2009 including a complete proposed Water Tariff No. 3. Additional submissions from Parr were received on April 20th, April 24th, and May 4, 2009. On May 4, 2009 A CPCN Amendment and Interim water rate increase was granted effective September 1, 2009 with Order 2190.
2. Parr was slow to respond to Information Requests from the office of the Deputy Comptroller and Order 2190 and several times requested extensions to file evidentiary updates and other filings required in Order 2190. On November 3, 2009 Parr requested the interim rate increase be changed to January 1, 2010 from September 1, 2009. On June 3, 2010 a proposed Interim Water Tariff No. 3 was received and on June 4, 2010 the Deputy Comptroller approved the Interim Tariff on the condition that Parr would file the evidentiary update by June 30, 2010.
3. On July 30, 2010, as revised August 14, 2010, Parr submitted the evidentiary update to support the Revenue Requirements and water rate increases applications that included a further proposed rate increase effective January 1, 2010 (December 1, 2010 for bulk water service to the Timber Ridge subdivision water system owned by the Regional District of East Kootenay). On August 27, 2010 Parr advertised the proposed rate increases by mailing notices to all customers with a September 30, 2010 closing date for submission of comments to the Deputy Comptroller. Four submissions were received including one from the Regional District of East Kootenay. On September 1, 2010 Information Request (IR) No. 3 was sent to Parr from the Deputy Comptroller’s office. On September 30th, October 15th and November 1, 2010 Parr responded to IR 3 and

on November 24, 2010 submitted its final comments on the Revenue Requirements and Tariff Amendments Application.

4. All relevant submissions from the Utility, customers and intervenors have been taken into consideration.

Section 1 sets out the jurisdictional and procedural background and the policy framework of the Application.

Section 2 outlines the context of the Application, the approvals sought, key influences, examinations of the various aspects of the approvals sought and the revenue requirements and sets out the Determinations and Directives of the Comptroller.

Section 3 deals with Other Matters that relate to the Application, filings by Interested Parties and the Determinations of the Comptroller.

Section 4 summarizes the Determinations and Directives of the Comptroller.

1.0.2 The Comptroller of Water Rights

The Comptroller of Water Rights (“Comptroller”) is an independent quasi-judicial regulator and responsible for the regulation of water utilities under the *Water Utility Act* and the *Utilities Commission Act*. Under the *Water Act*, Comptroller includes a Deputy Comptroller.

The primary responsibility in the regulation of water utilities under its jurisdiction is to ensure that the rates charged for water are fair, just and reasonable, and that utilities provide safe, adequate and secure service to their customers. The Utility Regulation Section of the Water Management Branch, Ministry of Natural Resource Operations (MNRO), delivers to the Comptroller all the necessary information, advice and recommendations required to support approvals, decisions and orders with respect to the utilities regulated.

1.0.3 Financial Viability

In order for a utility to be a viable business entity and to provide adequate service to meet its customers’ needs, it must receive sufficient revenues to pay operating costs and to provide for the replacement of system components by way of a replacement reserve, contribution or access to financing. To achieve a minimum level of viability, the owners of private utilities are expected to subsidize the operation until there are enough rate-paying customers for the utility to become self-sufficient. The subsidy may be perpetual for small utilities, and may include some or all of the following through contributions of assets, undertakings, funding, irrevocable letter of credit (“ILOC”), performance bonds and/or insurance:

- Contribution of the water works system
- Donation of time and resources
- Revenue Deficit Reserve Fund (RDRF)
- Construction Reserve Fund (CRF)
- Replacement Reserve Fund (RRF)
- Deferred Capacity Reserve Fund (DCRF)

A Certificate of Public Convenience and Necessity (“CPCN”) application must provide evidence of financial capability (debt and equity), operating capability and long term economic viability of the utility. The financial information must include:

1. Financial projections for 10-20 years depending on build-out and economic viability. A minimum of build-out plus 5 years is required and must include:
 - a. Original Cost of Facilities [constructed and contributed]
 - b. Income Statement and Revenue Requirements
 - c. Cumulative Revenue Deficiency before Contributions
 - d. Balance Sheet
 - e. Cash Flow
 - f. Developer and Customer Contributions
 - g. Cost of Capital, including Return on Equity if and when required
2. Financial projections of various build-out scenarios to assess risk and the level of developer contributions and financial support.
3. Evidence of debt and equity financing of the project and the utility [if and when required].
4. Contingency plans.
5. Rate Comparisons.
6. Proposals for reserve funds, bonds, funding, ILOC and insurance.

In addition, pro-forma tariffs are required to be filed and approved prior to a CPCN being issued.

1.0.4 Contribution of Water Works

Section 13.1 of the Guide to Applying for a CPCN states “Building a utility plant to serve an area having no customers initially and financing that plant to receive a return on investment is clearly uneconomic. Construction may be feasible, however, if the person or company who benefits from the construction is prepared to contribute (with no expectation of a return on investment) the entire cost of installing the necessary waterworks. For that reason, it is a widely accepted practice for real estate developers to contribute to the utility the cost of constructing the waterworks to serve the land they wish to market as serviced lots.”

In circumstances where a developer must build a private water utility, the developer may be required to contribute part or all of the capital plant, or water works, that will service the development. This may be the only way to create a financially viable and stable water utility operation. The required developer contribution may also include underwriting operating costs and/or providing security to fund future replacement costs.

The original cost of the facilities is to be recorded in the appropriate asset accounts of the utility and the total value is treated as a Contribution in Aid of Construction.

1.0.5 Parr CPCN Background

On May 10, 1967 Parr received its first CPCN and subsequently received amended CPCNs for extensions of service to serve a total of 119 bare land strata lots and a 106 lot RV Unit Campground by June 2007 when approval was granted for the transfer of shares of Parr to 1294671 Alberta Inc.

Additional CPCN amendments were issued on July 25, 2007 (36 strata lots for Pedley heights phases 1 & 2), and on October 7, 2008 (37 strata lots: 21 for Swansea Road subdivision plus 16 for Pedley Heights phase 3 subdivision). The RV Park was reduced to 38 on October 7, 2008 and lawn irrigation eliminated.

On November 6, 2008 a CPCN amendment was approved for 7 additional strata lots – Swansea Road subdivision.

On May 4, 2009 a CPCN amendment was approved for 170 additional lots with extension of service to the Resort at Copper Point Hotel (115 equivalent lots), Point Developments subdivision (52 lots) and Maurer and Braud properties (3 lots).

An Interim Decision No. 2190 was issued on May 4, 2009 approving interim rates and Interim Water Tariff No. 3.

On June 10, 2009 a CPCN amendment was approved for extension of service to Sholinder subdivision (2 lots).

On May 27, 2010 a CPCN amendment as approved for extension of service to Pedley Heights phase 4 (15 single family bare strata lots).

1.0.6 Interim Decision No. 2190 Directives

The Comptroller's Directives and status are set out in Attachment B. The key Directives are set out below.

s. 2.1: The Application is to include all of the facilities or works required to provide service. The total facility costs underlying the financial projections are \$13.7 million, excluding distribution mains and meters.

A Decision with Reasons and Order will be issued based on the Application and Evidentiary Update following the review and hearing process.

s. 2.2: In the Application and Evidentiary Update, Parr is to include, but not limited to, the following:

- *Revenue and statistics for RV service*
- *Costs and calculations for Wholesale water service*
- *Costs for all facilities including facilities such as Meters, [Transmission/Feeder Mains] and contributed Distribution Mains and associated CIAC*
- *Functionalization of Operating, Maintenance and Administrative expenses*
- *Plant accounts by appropriate plant account*
- *Identification of General Plant requirements*

The Evidentiary Update is to be filed no later than September 18, 2009. However, the Applicant is encouraged to file soon as possible. The Comptroller will set the hearing schedule upon receipt of the Application and Evidentiary Update.

The outstanding responses to the information requests (IR1) are to be filed no later than June 1, 2009. Additional IRs will be issued as needed on the information filed in response to the IRs.

Parr is to file a CPCN Amendment Application for all service extensions, including wholesale water service.

The Directives and their status are addressed separately in *section 2* of the Decision.

1.1 The Applicant

The regulatory timeline is set out in Attachment A.

Parr first made contractual commitments for the construction of the supply, pumping treatment and transmission facilities on June 19, 2007 and commenced construction in April 2008.

On September 12, 2008 an initial amended and preliminary CPCN Application was submitted by Parr Utilities Ltd. (“Parr”, the “Utility”), a water utility and a subsidiary of 1294671 Alberta Ltd., which in turn is owned by Hank Swartout, the developer. The CPCN Application was for a proposed 52 lot bare land strata development plus a 107 room hotel constructed by the Resort at Copper Point.

The shares of Parr Utilities Ltd. (Parr) are held by WWSC Holdings Inc., a company wholly owned by Mr. Hank Swartout. Affiliated companies of which Mr. Swartout or his holding companies are either the sole or primary shareholder are as follows:

- Windermere Water and Sewer Company Inc. (sanitary sewer services)
- Point Developments Inc. (residential property development)
- NanoFibre Networks Inc. (fibre optic phone and internet service)
- RK Heliski (heliskiing operation in the Panorama area)

Each of the companies mentioned above is a separate corporate entity, maintaining separate operations and financial records.

From the evidence provided by Parr, it is not clear which company or companies provide the shared services; WWSC Holdings Inc., Windermere water and Sewer Company Inc. (WWSC) or other companies. Resources and functions that are common to all of the entities include shared office space, accounting resources, payroll services, financial systems, administrative support, operations staff and management. Computer systems are also shared, with appropriate segregation between the companies. The costs of the shared functions are allocated to each company based on relative time and effort spent on each entity.

On March 25, 2009 the Utility applied for an Interim Order for a CPCN Amendment and water tariff rate schedule changes with rate increases.

On May 4, 2009 Interim Decision No. 2190 and the CPCN Amendment were issued.

The Evidentiary Update to the Application was filed on July 30, 2010, amended on August 13, 2010 and amended on September 27, 2010 and material was filed on October 15, 2010 and November 1, 2010.

The Final Submission was filed by Parr on November 24, 2010.

2.0 Evidentiary Update & Directives

2.1 Application and Evidentiary Record

In response to IR 3.23.5: “Provide a list of orders or approvals that Parr is requesting in the Application”, Parr responded that it is applying for approval of the tariff.

It is not clear that Parr understands or accepts the nature of its regulated utility operations, the regulatory requirements, regulatory record keeping, concepts such as Rate Base, Revenue Requirements, Cost of Service and Rate Design and the obligations that it entails and the onus on the Applicant, not on the Regulator.

The Evidentiary Update filed by Parr did not provide the required regulatory schedules and Parr either refused to provide information requested that was required to understand the Application, including the Evidentiary Update and to provide a record for the Comptroller’s review and Decision, as well as references for future CPCN, Revenue Requirement and Rate Applications.

The approvals that Parr is requesting in the Evidentiary Update (EU) that the Comptroller has identified are:

1. Final Rates effective January 1, 2010 and January 1, 2011.
2. Deferral and recovery of revenue deficiencies from future customers over a period of approximately 20 years. (EU s. 4.5.1.1, s. 4.5.1.3)
3. Not initially using traditional rate base / rate of return regulation with a transition to a Rate Base/Rate of Return model in the future. (EU s. 4.5.1.2)
4. Facility costs to be treated as Refundable Contributions (a loan by the Shareholder/developer) with related interest @ 7%. (EU s. 4.2.4, s. 4.5.1.2)
5. Use of Contributions in Aid of Construction and the Deferred Capacity Reserve Fund. (EU s. 3.2.4)
6. Approval of a Lease and rental of critical water treatment and service facilities. (Treatment, Office, Warehouse).
7. Approval of a shared services methodology and costs for Operating, Maintenance & Administration (OM&A). (EU s. 4.2.1, s. 4.2.2)
8. Approval of a fixed monthly charge for Retail and Wholesale water service with a transition to usage based rates in 2013. (EU s. 4.1, s. 4.5.1.4)
9. Tariff Amendments. (EU s. 5.1)
10. Depreciation rates other than those prescribed by the Comptroller. (EU s. 4.2.3)
11. Assumptions for future plant additions and contributions. (EU s. 3.2.1, EU Schedule A, EU Schedule H, EU Schedule L)

2.2 Approvals

The Revenue Requirements are approved as set out in Attachment D. The cost and forecast assumptions are set out in Attachments D through J.

2.2.1 Final Rates Effective January 1, 2010 and January 1, 2011

The proposed Tariff Rate Amendments originally filed were:

Interim Tariff Rate Amendments - Original

Schedule	Existing	Proposed
B – Contribution in Aid of Construction	\$3,000.00	\$3,800.00
C – Domestic Service Flat Rate	\$26.73	\$50.00
F – RV Flat Rate	\$6.73	\$25.00
G – Availability Charge	\$160.38	\$400.00

The Utility had requested an effective date of January 1, 2009 for the interim tariff for Contributions in Aid of Construction (CIAC) and for water rates to become effective when filtered and treated water becomes available, projected at that time to be September 1, 2009.

Parr revised the proposed charges and rates in the IR responses and financial projections as set out below.

Interim Tariff Rate Amendments – Revised & Approved

Schedule	Effective Date	Existing	Approved
B – Contribution in Aid of Construction	March 25, 2009	\$3,000.00	\$3,500.00
C – Domestic Service Flat Rate per mo.	September 1, 2009	\$26.73	\$50.00
E – Wholesale Rate per Customer per mo.	September 1, 2009	n.a.	\$1.3896
F – RV Flat Rate per mo. (Apr – Dec)	September 1, 2009	\$6.73	\$25.00
G – Availability Charge per yr.	September 1, 2009	\$160.38	\$300.00

In the Evidentiary Update Parr proposed charges and rates as set out below.

Tariff Rate Amendments – Evidentiary Update

Schedule		Interim 01 Jan 10	Final 01 Jan 11
B – Contribution in Aid of Construction	March 25, 2009	\$3,500.00	\$3,500.00
C – Domestic Service Flat Rate per mo.		\$50.00	\$60.00
E – Wholesale Rate per Customer per mo.		n.a.	\$45.00
F – RV Flat Rate per mo. (Apr – Dec)		\$25.00	n.a.
G – Availability Charge per yr.		\$300.00	\$504.00

The Regional District of East Kootenay (RDEK) in its letter dated September 30, 2010 stated:

As per the CPCN application submitted to your office on September 20, 2010, the RDEK has requested that Parr provided bulk treated water to our Timber Ridge water system. In order for the project to be realized, the RDEK had to obtain elector assent from the service area to increase taxes and user fees for the connection to Parr. The discussions with Parr date back more than two years, and elector assent was obtained in the fall of 2009 based on capital costs, certain rates and fees.

Enclosed is a copy of a letter from Parr to the RDEK dated March 31, 2009. This was the last written communication from Parr prior to our elector assent process in the fall and the document upon which we presented project costs to the community. Within this letter, it states that the Contribution in Aid of Future Construction (capital contribution) is \$3,500 per connection and the bulk water monthly rate would be an average \$39 per connection (\$34 base charge plus an average \$5 consumption charge).

Enclosed is a copy of the petition and information package circulated to the community in the fall of 2009 which clearly informs the community that the Contribution Fee would be \$3,500 per connection.

In response to IR 3 Parr stated:

IR 3.20.1 Request: Explain what Parr means by: "...Parr will re-assess the bulk rate" and what this means in terms of the proposed \$45 per month rate.

Response: The proposed bulk rate equates to 75% of the proposed retail rate. Despite the fact that our analysis as provided in Appendix E of the application currently supports a bulk rate of approximately 82% of the retail rate, we have proposed that the bulk rate be initially set at \$45. It is our belief and contention that this will provide sufficient revenue to support the requirements of the bulk customers. Given the lack of historical information that is available related to the utility's cost structure and preliminary commitments that were made to our primary bulk customer (RDEK), the most reasonable and prudent approach to the bulk rate has been to set it initially at 75% of the retail rate and re-assess that percentage as actual cost data is accumulated. If it is proven in the future that the bulk rate should be higher than 75% of the retail rate, an application to the Comptroller will be made to amend the rate.

IR 3.20.3 Request: Are the Parr proposed rates based on the Cost of Service at the time the capacity of the system is fully utilized?

Response: The proposed rates are based on our long term cost structure and are designed to eliminate inequitable rate burdens on either existing or future customers of the utility.

IR 3.20.3.1 Request: Provide the COSA based rate calculations for retail and wholesale/bulk service.

Response: Parr will require further explanation of these required calculations as they have not been previously requested.

IR 3.25.1 Request: Describe the cost allocation principles and methodology used in preparing the bulk water rate calculation/estimation.

Response: Please refer to Section 4.1 of the application and Appendix E, where the calculation of the proposed bulk rate and all underlying assumptions are explained.

IR 3.25.2 Request: Provide the calculation of the forecast estimated bulk water rate using the attached cost allocation and rate schedule.

Response: This schedule is currently under review and will be provided, if applicable, subsequent to this response.

Determination:

The Comptroller has reviewed the costs and rates that are required to recover appropriate costs including a contribution to the Replacement Reserve Trust Fund and able to provide service and operate in a safe and reliable manner . The final tariffs are approved as set out below.

Approved Tariff Rate Amendments - Final

<i>Schedule</i>	<i>Effective Date</i>	<i>01 Jan 10</i>	<i>01 Dec 10</i>	<i>01 Jan 11</i>
<i>B – Contribution in Aid of Construction</i>	<i>March 25, 2009</i>	<i>\$3,500.00</i>		<i>\$3,500.00</i>
<i>C – Domestic Service Flat Rate per mo.</i>		<i>\$50.00</i>		<i>\$60.00</i>
<i>E – Wholesale Rate per customer per mo.</i>		<i>n.a.</i>	<i>\$39.00</i>	<i>\$39.00</i>
<i>F – RV Flat Rate per mo. (Apr – Dec)</i>		<i>\$25.00</i>		<i>n.a</i>
<i>G – Availability Charge per yr.</i>		<i>\$300.00</i>		<i>\$432.00</i>

The Interim rates and charges effective September 1, 2009 and revised to be effective January 1, 2010 are confirmed as final.

Parr has not provided either the required analysis or any acceptable cost and rate design evidence to support the costs and rates for Wholesale service. The Wholesale Rate is set at 65% of the Retail Rate commencing December 1, 2010.

Parr applied for an Availability Charge of 70% of the Retail Rate at \$504.00 per year, an increase from 50% of the Retail rate at \$300 per year. The Availability

Charge is approved at 60% of the Retail rate at \$432.00 per year commencing January 1, 2011

Parr is to provide customers with notification of the approved rates and increases as soon as practicable and to obtain the Comptroller's approval of the notice.

Parr is to apply for approval of usage based rates for all customers with meters to be effective January 1, 2013 to recover the same level of revenue as would be recovered under the approved fixed Rate in effect on January 1, 2011. The Comptroller is prepared to consider minimum bills as part of the rate structure. The Retail customers will be billed quarterly in arrears and the Wholesale customers will be billed monthly in arrears, i.e. following the provision of service. With the implementation of usage rates, billings will be in arrears and based on actual consumption. Sample usage rates based on information in the Original Application and Interim Decision are set out in the Attachment F to the Decision.

2.2.2 Revenue Deficiency Deferral and Recovery

Parr sets out a proposal for deferral and recovery of the revenue deficiencies (deficits) in the Evidentiary Update.

4.5.1.1 Deferral and Future Recovery of Revenue Deficiencies

...

To ensure that future customers participate in the recovery of the costs of the system improvement and expansion, and to minimize the possibility of "free ridership", Parr is applying for deferral of its annual revenue deficiency. This will allow recovery from customers in a future period, when the overall customer base and water volumes are sufficient to recover forecast revenue requirements including a reasonable amortization of the deferred revenue deficiency. Amortization will be straight line over a period of 20 years and is forecast to begin in 2016. It is noted that the owner has committed to fund all operating deficiencies and those contributions incur no interest.

4.5.1.3 Details of Revenue Deficiency Deferral

...

... Regardless of how the annual revenue deficiencies are financed in the short term, going forward, Parr believes that it is appropriate to recover the annual deficiencies from existing and future customers. ...

Parr will record the value of the annual revenue deficiencies in a non-rate base deferral account. After 2015, Parr anticipates that there will be sufficient customers and water volumes moving through the system to allow amortization of the accumulated balance of the Revenue Deficiency Deferral Account. The

accumulated deficiency is forecast to be recovered/amortized over a period of approximately 20 years on a straight line basis, as conditions permit. Parr submits that there may be some periods where it may not be able to recover the full amount as planned within the approved rates due to unforeseen events such as increased maintenance or low water years. In those circumstances, recovery may be temporarily slowed or suspended. However, there may also be periods when Parr will be able to accelerate the recovery due to lower than anticipated costs or high water use years, and should be allowed to take advantage of those periods as may be reasonable and within approved rates.

The “**Guide to Applying for a Certificate of Public Convenience and Necessity (CPCN) - May 2010**” for Private Water Utilities states:

10.3 Letter of Undertaking to Subsidize Operating Losses

To achieve a minimum level of viability, developers are expected to subsidize operating losses (at least until build-out or when the Utility becomes self-sufficient) with deposits into the Utility’s Revenue Deficit Reserve Fund and provide a letter of undertaking to subsidize operating losses, including annual required deposits into the Utility’s Replacement Reserve Fund

The “**FINANCIAL GUIDELINES FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY (CPCN) APPLICATIONS - May 2010**” state:

6.1 Revenue Deficit Reserve Fund (RDRF)

The RDRF is a required financial institution deposit in the name of the Utility by the developer with interest earnings used by the Utility to help offset revenue deficits (operating losses). A minimum of \$250,000 is required and is generally in the \$250,000 to \$1,000,000 range. Any further operating losses must be funded by the developer and are not recoverable by the developer from utility customers or the Utility.

Revenue Deficiencies (Deficits) are always the responsibility of the developer(s) and shareholders who undertook the construction of the water utility in order to serve proposed subdivisions and developments.

Determination:

The shareholder/developer initially planned facilities to serve its own subdivision and resort development and then proceeded to design and construct a much larger supply and treatment facility without first preparing the appropriate financial analysis for a regulated water utility as envisioned, without understanding the costs and the rates required and without making a Revenue Requirement and Rates Application.

The timeline for the design, contracting and construction decisions by the shareholder/developer and the timeline CPCN, Revenue Requirements and Rate Application and Evidentiary Update are set out in Attachment A.

Deferral and recovery of Revenue Deficiencies is rejected. Deficiencies are to be funded by the Shareholder/Developer.

2.2.3 Rate Base / Rate of Return – 2.2.4 Refundable Contributions

Parr has proposed a transition to a Rate Base / Rate of Return with no Rate Base initially but with a return (interest) on Refundable Contributions.

The “*Guide to Applying for a Certificate of Public Convenience and Necessity (CPCN) - May 2010*” for Private Water Utilities states:

10.2 Letter of Contribution

Building a utility plant to serve an area having no customers initially and financing that plant to receive a return on investment is uneconomic. Construction may be feasible, however, if the person or company who benefits from the construction is prepared to contribute (with no expectation of a return on and of investment) the entire cost of installing the necessary waterworks.

The “*FINANCIAL GUIDELINES FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY (CPCN) APPLICATIONS - May 2010*” state:

3.0 FINANCING AND VIABILITY

In order for a utility to be a viable business entity and to provide adequate service at fair, just and reasonable rates to meet its customers’ needs, it must receive sufficient revenues to pay all operating, maintenance and administration costs and to provide for the replacement of system components by way of an annual contribution to the Replacement Reserve Fund (depreciation allowance) and have access to financing. It is expected that all facilities will be contributed by the developer with financial support and contributions to other reserves as determined by the Comptroller.

Determination:

Interest on Refundable Contributions or CIAC is no different than a return on investment or a return on Rate Base. Interest on Refundable Contributions or CIAC is not allowed under any circumstances. CIAC is no-cost capital or an offset to Plant costs.

A Rate Base is rejected in line with the Guidelines of the Comptroller. Furthermore, the projections of future costs and revenues will not support a Rate Base or interest on Refundable Contributions. The Revenue Requirements and Rates include an allowance for an Operating Margin of 10% on OM&A costs excluding taxes, insurance and interest.

Neither a Rate Base nor Refundable Contributions will be considered again in the future.

2.2.4.1 Working Capital Allowance

An allowance for cash Working Capital to fund prepaid expenses, inventory and receivables (net of payables) is normally required. In the absence of an analysis of the average days receivables are outstanding and the payments of expenses, a formula is developed as a proxy.

Determination:

Interest on Working Capital has been included in Revenue Requirements on the basis that all billings will be issued in arrears. Retail customers will be billed quarterly and Wholesale customers will be billed monthly.

2.2.4.2 Deferred Charges - Regulatory

Parr has proposed to defer Regulatory Costs and Revenue Deficiencies and reported them together in Schedule G of the EU materials. The costs to develop and submit the rate application are proposed to be amortized from 2010 to 2014.

Parr has not provided any support for the costs of \$158,859.42 or rationale for recovering the costs from customers.

Determination:

The Comptroller finds the quality and format of the Application, Evidentiary Update and Information responses to be unacceptable. There was almost a 1 year delay in filing the Evidentiary Update that is unwarranted by the material filed.

The allowed recovery of costs from customers is limited to 50% of the applied for costs and is capped at \$79,429. The amortization period is 10 years without a recovery of interest costs.

2.2.5 Contributions in Aid of Construction – Deferred Capacity Reserve Fund

Parr states that and proposes the use of funds as follows:

Parr has secured refundable contributions from its shareholder totaling \$8,983,640. These contributions were used to finance the construction of core works totalling \$7,473,800 as of December 31, 2009, to fund the Revenue Deficiency Reserve Fund (\$1,400,000) and the Construction Reserve Fund (\$349,000). Remaining contributions were utilized for general operating purposes. Parr intends to finance the cost of future construction of core works from capital contributions made by applicants for service and from funds currently held in the Deferred Capacity Reserve Fund. Any contributions remaining after the costs of the future core works are covered will be used to repay the refundable contribution from its shareholder plus interest on the portion of the contribution relating to the capital cost of the core works. (EU s. 3.2.4)

Determination:

All of the facilities, including Land and Building, are to be contributed by the Shareholder/Developer. Contributions from others (Developers, Retail Customers, Wholesale Customers) will be used first to fund any Plant additions not funded by the Shareholder/Developer and second to fund any capacity additions required to provide service to existing and future customers.

Any funds remaining after all facility costs, including capacity additions, have been fully funded may be returned to the Shareholder/Developer. A Holdback will be required until all planned services have been provided, the capacity to serve the forecast demand has been verified and deficits have been funded. Any disbursements are subject to prior approval by the Comptroller.

The level of funds and the potential for returning any funds to the shareholder/developer will be reviewed annually by the Comptroller and with each CPCN application.

2.2.5.1 Latecomer Agreements and Refundable Contributions

Refundable Contributions, supported by Latecomer Agreements, are employed when facilities such as Transmission Mains and Distribution Mains or possibly storage are constructed to serve a developer or customer and there is a reasonable expectation that future customers will connect to those mains and that they have the capacity required. The Refundable Contribution amount is based on the excess capacity cost and the refund term is limited to 5 to 10 years. As customers are added to the mains and any other facilities that have been paid for by the party requesting the facilities and a CIAC is

received from the new customers, the Refundable Contribution is paid back to the original party in the amount recovered.

Alternatively, all payments are recorded as CIAC in conjunction with a Latecomer Agreement. When customers are added, the new customers are charged a Latecomer Fee by the utility in accordance with the Latecomer Agreement that is then paid to the original party.

2.2.5.2 Deferred Capacity Charge (DCC)

The “*FINANCIAL GUIDELINES FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY (CPCN) APPLICATIONS - May 2010*” state:

6.4 Deferred Capacity Reserve Fund (DCRF)

The DCRF accumulates one-time charges from applicants for service from outside the boundaries of the utility or from subdivision of existing lots. The amounts deposited into the fund as ordered by the Comptroller and provided for in the Tariff (Aid to Future Construction Charge schedule) with accumulated interest are available to pay for future expansion of water system capacity as authorized by the Comptroller.

A Deferred Capacity Charge is separate and distinct from a CIAC. The CIAC is the payment for new facilities constructed by the utility or the cost or estimated cost of facilities constructed and contributed by a customer or developer. It may include all facilities constructed initially to provide service or in the case of an extension of a service area, the Transmission and Distribution Mains, Meters, interconnection costs and any other facilities and capacity additions required, whether constructed by the utility or the customer or developer.

A Deferred Capacity Charge is a payment for the future expansion of capacity including supply, treatment and transmission or distribution facilities. The principle of a DCC is that not only the last customer is responsible for a capacity addition but also customers added to the system previously.

2.2.6 Land & Treatment Building

Parr has proposed that the land and building used for the treatment, storage and supply of water be leased from an affiliated company, Windermere Water and Sewer Company Inc. The rental was not reflected in the original Application and appeared only in the OM&A expense schedules.

The original Application included capital costs of \$467,000 for the Treatment Building. The land and building are clearly integral to the water utility operations as is evident from Appendix B – System Schematics and Photographs of the Evidentiary Update.

In response to IR 3 Parr stated:

IR 3.13.3 Request: Provide drawings of the entire structure showing the contents, including office space and all water utility equipment and equipment for each of the group of companies.

Response: Full as-built engineer certified drawings of the facility have been submitted to the Comptroller's office previously. A pdf of the architectural floor plan is also included as part of this response. No equipment exists in the plant space other than for the water utility and a small room on the east side of the building that is dedicated to NanoFibre's electronic switching equipment.

IR 3.13.6 Request: Provide the references from previously filed Application materials identifying that the structure housing the treatment plant and shared offices would be leased.

Response: The structure housing the treatment facilities was not constructed until 2009, with occupancy occurring on October 31, 2009. The previous materials did not explicitly refer to the lease, but all information provided in the Evidentiary Update reflects the existence of that lease and the market rates applicable to tenants within the structure. In 2005, WWSC purchased the land upon which the structure was built and registered a Statutory Right of Way on the property, securing the location of the water utility in perpetuity. WWSC paid for and owns the structure, operating as landlord for the group of companies that occupies the office and warehouse space.

IR 3.13.10 Request: Provide the cost of the facilities leased, the price of the facilities embedded in the lease and the values recorded and reported in the Application with references.

Response: As the building is owned by a separate, private entity, that information is considered confidential. The lease rates were determined based on review and discussion with realtors in the area of comparable office and warehouse spaces. Based on the range provided by those discussions, the rate was set at the lowest point of that range.

IR 3.10.13 Request: Provide drawings of the Land and facilities for the water treatment and storage facilities.

Response: All such drawings are already on file with the Comptroller's office.

Determination:

All of the facilities, including Land and Building, are to be contributed by the Shareholder/Developer to Parr. The projected facility costs, CIAC and Revenue Requirements have been adjusted to include estimated Land and Building costs of \$900,000 in the absence of information from the Applicant.

The title of all of the properties and facilities are to be transferred to Parr as soon as practicable but not later than June 30, 2011. Parr will have priority use of the offices and warehouse facilities for water utility purposes. The affiliated companies will have use of the office and warehouse facilities without cost except for a share of taxes, utilities, maintenance and insurance until Parr next applies for approval of Revenue Requirements and Rates. Parr is to commence charging rent to non water utility tenants and to record the rent charges as revenue when Parr next applies for an increase in rates.

2.2.7 Shared Services – OM&A - Insurance

In response to IR 3 Parr stated:

IR 3.13.11 Request: Provide the corporate and staff organization chart for the diversified group of companies with a description of the nature of the operations of the individual diversified group of companies.

Response: Given the private and separate nature of these entities, that information is considered confidential and not relevant to the application.

IR 3.13.12 Request: Provide copies of shared services agreements between the group of companies setting out the functions/services provided and the basis for the cost allocations or charges; e.g. cost drivers.

Response: Formal shared service agreements are not utilized. The nature of the facility and the limited staff allow reasonable allocations to be made without complex and extensive analysis. The majority of the shared costs relate to payroll and the staff's involvement in each of the operations is assessed at least twice per year to ensure that allocations remain reasonable. Payroll is allocated to the separate entities on a quarterly basis.

IR 3.13.14 Request: Provide a schedule showing the allocations to each of the members of the group of companies for the forecast period and file a functional Excel spreadsheet with the allocations and cost drivers.

Response: It will not be possible to meet this request. The expenditures incorporated into the Parr forecasts have been based on experience to date and

actual costs incurred within the utility from 2007 through 2009, whether those costs are allocated or directly charged. They are our best and most reasonable estimates of the costs to be incurred by Parr over the ensuing 10 year period. The most significant allocated cost is payroll and a detailed payroll allocation schedule does exist. Upon request, this schedule can be provided to the Comptroller's office, but we request confidentiality due to the privacy requirements that relate to this type of confidential and personal payroll information. As noted earlier, the allocation of payroll costs is based on our actual experience with the amount of effort each shared staff person spends on each entity. Schedules B and D within the application include the overall payroll allocations for each area. The schedule requested above would require a detailed 10 year forecast to be developed for all related entities and that is not planned.

The Interim Decision Directives included:

- *Functionalization of Operating, Maintenance and Administrative expenses*

The Evidentiary Update did not include functionalization which was necessary to determine costs and support rates for Retail service and Wholesale service.

In response to IR 3, Parr stated:

IR 3.10.8 Request: Explain why Parr has not provided cost by Function as required by the Uniform System of Accounts:

- *Supply, Pumping, Treatment*
- *Transmission*
- *Distribution*
- *Customer Accounting*
- *Administration & General*

Response: Costs by function have been provided on Schedules B and D of the application. Those schedules provide detailed forecasts of all operating, maintenance and administration expenses. The level of functional segregation provided is considered reasonable, practical, and adequate given the size of the utility. Customer accounting has been combined with the overall accounting function in those schedules. The utility's staff complement is such that overly detailed segregation of costs would introduce unnecessary and imprudent expense.

Parr has included insurance costs of \$20,000 for 2010, increasing thereafter. No evidence was filed to support the insurance coverage and costs.

Inflation of 3.00% was used in the financial projections.

Determination:

The OM&A, Shared Services and insurance costs have not been supported by the Applicant and it is determined that the costs are too high relative to other utilities and excessive for the size and nature of the operations.

Inflation has been reduced to 2.25%, the allowed costs have been reduced by \$75,000 at this time and the rental fees on the Water Treatment Building have been eliminated.

Parr will be required to file evidence to support for the level of OM&A, Shared Services and insurance with the next Revenue Requirements and Rate Application which is expected to be after 2013. The Application must include a full description of the Shared Services, cost drivers/allocation factors and organization charts.

Parr is to file information on insurance coverage and costs with the Comptroller with the next Revenue Requirements and Rate Application.

Parr is ordered to maintain and report OM&A costs by function commencing January 1, 2011 and be provided with the annual filings to the Comptroller. The account level information must be sufficient to allow analysis of the Retail and Wholesale cost of service. See Attachment N.

2.2.8 Fixed Rates vs. Usage Rates

Parr has proposed a transition to usage based Rates from fixed rates in 2013.

Determination:

Parr is directed to implement usage Rates on January 1, 2013. Fixed Rates do not encourage conservation of water and are not appropriate for Wholesale service.

The level of revenue recovered through the Retail usage Rates will be 25% to 75% of the monthly fixed rate. The level of revenue from the Wholesale usage Rate will be 75% of the monthly fixed Rate revenue.

Parr is to maintain and file monthly meter data to support the Application for the usage Rates and the Retail and Wholesale use upon which the rates are to be based.

2.2.9 Tariff Amendments

The other Tariff amendments to the Definitions and Terms and Conditions of Service as accepted for filing on an interim basis on June 4, 2010, effective January 1, 2010 are reasonable and in keeping with standards regularly approved by the Deputy Comptroller except for section 2, billing and payments. It is acceptable except that wholesale rates are to be billing monthly in arrears as determined in 2.2.1 above.

Determination:

Interim Water Tariff No. 3 effective January 1, 2010 is confirmed as final with first revised Schedules C, D and G effective January 1, 2011 and Schedule E (bulk water/wholesale rates) effective December 1, 2010 as follows:

<i>Schedule C</i>	<i>\$60.00 per month per SFRE (Single Family Residential Equiv.)</i>
<i>Schedule D</i>	<i>\$60.00 per month per SFRE to Copper Point Resort Hotel - 73 equivalent units (removal of RV site units as no longer exist per Utility).</i>
<i>Schedule E</i>	<i>\$39.00 per month per SFRE for bulk water/wholesale service to RDEK's Timber Ridge subdivision effective December 1, 2010.</i>
<i>Schedule F</i>	<i>not applicable</i>
<i>Schedule G</i>	<i>\$432.00 per year per SFRE.</i>

In the future, all proposed changes are to be clearly marked and explained.

2.2.10 Depreciation Rates

Parr has proposed depreciation rates that differ from the Comptroller's Prescribed Depreciation Rates which are available on the website and which are provided as Attachment L to the Decision.

In the Evidentiary Update, Parr states:

4.2.3 Depreciation and Amortization Expense (Capital Replacement)

The utility's assets will be depreciated over the shortest of the assets' physical, technical, commercial or legal lives. Given the unique nature of the treatment system, Parr engaged an engineering consultant to provide an in depth, certified review of the utility's asset base, providing detailed life expectancies for all major components of the water system. The depreciation rates used by Parr are consistent with those shown in Schedule A of the Comptroller's 2009 Financial Guidelines with two specific exceptions. The detailed engineering review provides an expense base that is specific to the assets held by Parr and their specific

makeup. That depreciation analysis is included as Appendix G. The letter from the engineer included in Appendix G outlines the two specific areas where they deviated from Schedule A and their rationale for doing so. As a result, Parr is seeking approval from the Comptroller to vary from the depreciation rates set out in Schedule A of the 2009 Financial Guidelines, and use the depreciation rates outlined in Appendix G.

Determination:

Depreciation rates as prescribed by the Comptroller have been determined based on longer term history of water utilities filed with and approved by regulators.

Parr is directed to use the Prescribed Depreciation Rates which are those applied in the regulatory schedules attached to the Decision as Attachment L. The prescribed depreciation rates have been applied to the financial projections using the best and limited information available on the plant accounts and type of construction.

2.2.11 Plant Additions and Contributions

In response to IR 3 Parr states:

IR 3.10.5.b. Request: Capital Expenditures and Plant Account balances

- i. Contributed facilities: mains, services, meters, etc. including original Parr facilities*
- ii. Revised capital additions, including timing, treatment plant building*

Response: All capital expenditures and plant account balances were completely reassessed to ensure that actual construction spending was properly incorporated into all figures. All developments in the existing or proposed service area were reviewed to confirm the actual value of infrastructure (mains, valves, services, etc.) that has been contributed to the utility or that is expected to be contributed as those developments connect to the system. These contributed facilities were also incorporated into the related depreciation and reserve fund calculations. Given that all Parr customers are to be metered, an amount was included in the contributed assets figure that accounts for the contributions of all meters on residential properties directly serviced by Parr.

Capital expenditure figures were updated to reflect actual spending through to the submission date. The major remaining construction projects are the lake intake upgrade, construction of a second reservoir and extension of our main on the highway. Estimated costs for all of those projects were updated to reflect current

information and timing was adjusted to match construction with the addition of related communities to the system.

IR 3.10.5.f. Request: CIAC, including contributed facilities (see b. above)

Responses: All contributions, whether received as cash contributions or contributed facilities from community extensions, were identified and included either based on actual contributions or forecast contributions, as noted in b. above.

Determination:

A review of the customer additions, plant and CIAC raises concerns about whether the Plant, CIAC and depreciation and RRF contributions are reasonable and complete. The results of the review and the adjustments made to Land, Building, Distribution Mains, Meters (excluding Wholesale Meters and System Meters) and General Plant are incorporated into the regulatory schedules. The adjustments do not include Supply & Pumping capacity, additional Treatment capacity, Transmission / Feeder Mains, Wholesale Meters and System Meters. A 10% contingency was added to some of the forecast 2011 additions.

The Parr Evidentiary Update plant and CIAC additions would result in customers being served without mains or meters which is not possible. Meter additions have been incorporated based on retail customers, including Baltac, and RRF loans and 10 year repayment has been incorporated.

When providing service, the utility is responsible for all of the facilities up to and including the meter. All of those facilities are to be contributed and maintained by the utility. Recording Plant and related CIAC in the appropriate accounts at the outset is important for depreciation, RRF contributions, retirements, cost allocations and rate design.

Parr is directed to review and update its Plant and Property Records and to file revised Plant, CIAC and depreciation on or before June 30, 2011. The costs are to be fully supported with as built drawings and costs, actual or estimated.

2.2.12 Plant Held for Future Use – Plant Valuation

In response to IR 3 Parr stated:

IR 3.12.3 Request: Provide a copy of:

- Requests for proposals / bids;*
- Summary of bids and proposals with prices;*

- *Copy of RFPs, bids and contracts and any scope changes.*
- *A list of all contractors and the work performed.*
- *Any Contracts for Service, Memorandums of Understanding, Letter of Intent, Letters of Agreement or any similar documents to provide water service that existed at the time of the decision to proceed with the “adjusted facilities” and construction commitments.*

Response: Production of the detailed information requested above will require an extensive amount of time to assemble all related documentation from the utility’s archive files extending back over the past five years. It is possible that some documentation will be unrecoverable due to staffing and consultant changes that took place over that time. Due to the severe lack of contracting resources during the construction period and the related inflation in pricing, most of the major components were not formally bid or contracted on an overall project basis.

Individual components were often directly contracted by the utility and overseen by both utility staff and engineering/consulting staff after a review of the proposed construction costs.

By acting as the general contractor on these components (including the main reservoir and treatment plant), the utility was able to control costs in a very inflationary period and control the construction process.

The Comptroller requested information on capacity and demand in order to evaluate the ability to serve the forecast customers and to determine the level of excess capacity.

Determination:

The Comptroller has determined that a Refundable Contribution and potential Rate Base are not appropriate and viable. As a result, no determination will be made on the prudence of the system design and costs, any unutilized capacity and Plant Held for Future Use and the reasonableness of the charges paid by the Shareholder/Developer relative to the alternatives and costs of facilities to serve only the related developments. Had there been a potential for Rate Base, the lack of information would have prevented a determination in any event.

3.0 Other Matters

3.1 Rohit Group – Copper Point Resort

Rohit filed a letter dated October 8, 2010 raising concerns about Sewer/Wastewater charges by WWSC and linkage to the water utility and a decision by the Comptroller.

Please see the attached correspondence of September 22, 2010 from Windermere Water and Sewer Company regarding sewer services. In the letter you will note that the sewer utility proposal includes the developer's attempts to leverage other development issues through the utility contract. The attached email of September 22, 2010 from Paul Partlo highlights the inability or unwillingness of the utility to remain at arms length from the developer. In particular, note the following quote from this e-mail:

"The second letter reduces the monthly service fee to \$70.00 per unit, but requires an additional capital contribution. The additional contribution is the equivalent dollar value of the contributions that were eliminated when the water equivalency calculation was finalized and approved by the Comptroller at 74 units."

We have had the viability of our operations threatened and leveraged through a combined and consistent approach by Windermere Water and Sewer.

There is no record of a response from Windermere to the letter filed with the Comptroller.

Determination:

The primary purpose of ensuring that Parr is a separate company is to ensure that the water utility is not adversely affected by affiliated companies. The affiliated Sewer/Wastewater operations, while essential services and lacking competition, are not regulated.

The Comptroller is prepared to deal with the complaint as a separate matter. Windermere and Parr are hereby required to file a response and explanation to the Rohit complaint by January 31, 2011.

Adjusting Sewer/Wastewater charges in response to changes in the Parr approved Rates and Charges may be interpreted as circumventing the Parr tariffs.

3.2 Replacement Reserve Trust Fund

The Replacement Reserve Trust Fund (RRTF) is required to ensure that adequate funding is available to maintain and replace facilities.

In the absence of interest income to offset inflation and the increase in materials and construction costs, the funds would be inadequate in the future.

Determination:

Parr is directed to ensure that all RRTF contributions are deposited quarterly at the end of each quarter and invested in a timely manner reflecting the anticipated need for the funds and in a manner that maximizes the interest income earned.

The RRTF contribution is to be equal to the Depreciation on Plant calculated on the mid-year (average) balance for the year which is estimated to be \$314,700 in 2010 and 340,300 in 2011. Differences between forecast and required actual contributions are to be deposited in the RRTF no later than the end of the first quarter of the following year.

3.2.1 Meter Loans

The Comptroller has approved the loan from the RRTF for the installation of meters in the Baltac subdivision. Other loans may be required and approved in the future.

Determination:

The meter loan repayments for Baltac of \$7,900 per year have been included in the forecast RRTF contributions as well as forecast loans for meter additions.

The meter loan repayments to the RRTF as approved by the Comptroller from time to time are to be made at the end of each quarter and invested in a timely manner.

3.3 Notice to Customers of Future Rate Increases

The RDEK requires 3 months notice of rate increases in order to pass through the rate changes. Other Wholesale customers may require similar notice.

Determination:

Parr is directed to ensure that Wholesale customers are provided with adequate notice of rate increases and proposed rates so that they can pass through the increases.

3.4 Audited Financial Statements

Parr has not yet filed its auditor reviewed financial statements for 2009. The lack of timely filings, the quality of the information received to date, the anticipated size of the company and its service area and the customers requires a higher level of reporting and confidence in the information received.

Determination:

Parr is directed to file its auditor reviewed 2009 financial statements prior to January 31, 2011. Parr is to submit audited financial statements within 120 days of the fiscal year-end, beginning with 2010 financial statements.

4.0 Decision Summary - Revenue Requirements and Rates

The key *Determinations* are summarized below. The full Determinations and Directives are set out in the relevant sections of the Decision.

2.2.1 – Rates and Charges: Rates and Charges are approved as final as follows:

Approved Tariff Rate Amendments - Final

<i>Schedule</i>	<i>Effective Date</i>	<i>01 Jan 10</i>	<i>01 Dec 10</i>	<i>01 Jan 11</i>
<i>B – Contribution in Aid of Construction</i>	<i>March 25, 2009</i>	<i>\$3,500.00</i>		<i>\$3,500.00</i>
<i>C – Domestic Service Flat Rate per mo.</i>		<i>\$50.00</i>		<i>\$60.00</i>
<i>E – Wholesale Rate per Customer per mo.</i>		<i>n.a.</i>	<i>\$39.00</i>	<i>\$39.00</i>
<i>F – RV Flat Rate per mo. (Apr – Dec)</i>		<i>\$25.00</i>		<i>n.a</i>
<i>G – Availability Charge per yr.</i>		<i>\$300.00</i>		<i>\$432.00</i>

Parr is to provide customers with notification of the approved rates and increases as soon as practicable and to obtain the Comptroller’s approval of the notice.

Parr is to apply for approval of usage based rates for all customers with meters to be effective January 1, 2013.

2.2.2 – Revenue Deficiency: Deferral and recovery of Revenue Deficiencies is rejected. Deficiencies are to be funded by the Shareholder/Developer.

2.2.3 – Rate Base: A Rate Base is rejected in line with the Guidelines of the Comptroller. Neither a Rate Base nor Refundable Contributions will be considered again in the future.

2.2.4.1 – Working Capital: Interest on Working Capital has been included in Revenue Requirements.

2.2.4.2 – Deferred Charges: The allowed recovery of regulatory costs from customers is limited to 50% of the applied for costs and is capped at \$79,429. The amortization period is 10 years without a recovery of interest costs.

2.2.5 – CIAC & DCRF: All of the facilities, including Land and Building, are to be contributed by the Shareholder/Developer. Contributions from others (Developers, Retail Customers, Wholesale Customers) will be used first to fund any Plant additions not funded by the Shareholder/Developer and second to fund any capacity additions required to provide service to existing and future customers. Any disbursements are subject to prior approval by the Comptroller. The level of funds and the potential for returning any funds to the shareholder/developer will be reviewed annually by the Comptroller and with each CPCN application.

2.2.6 – Land & Building: All of the facilities, including Land and Building, are to be contributed by the Shareholder/Developer to Parr. The title of all of the properties and facilities are to be transferred to Parr as soon as practicable but not later than June 30, 2011.

2.2.7 – OM&A & Insurance: Inflation has been reduced to 2.25% from 3.00%, the allowed costs have been reduced by \$75,000 and the rental fees on the Treatment Building have been eliminated. Parr will be required to file evidence to support for the level of OM&A, Shared Services and insurance with the next Revenue Requirements and Rate Application. Parr is ordered to maintain and report OM&A costs by function commencing January 1, 2011.

2.2.8 – Rate Structure: Parr is directed to implement usage Rates on January 1, 2013.

2.2.9 – Tariff Amendments: The wording changes are approved and Rates and Charges are to be per the Decision s. 2.2.1.

2.2.10 – Depreciation Rates: Parr is directed to use the Prescribed Depreciation Rates.

2.2.11 – Plant Additions & CIAC: *Parr is directed to update its records and to file revised Plant, CIAC and depreciation on or before June 30, 2011. The Plant and CIAC are to include all Supply and Pumping facilities, Treatment facilities, Transmission/Feeder Mains, Distribution Mains and Meters as well as any other facilities.*

3.1 – Rohit Complaint: *The Comptroller is prepared to deal with the complaint as a separate matter. Windermere and Parr are hereby required to file a response and explanation to the Rohit complaint by January 31, 2011.*

3.2 – Reserve Funds: *Parr is directed to ensure that all Reserve funds are invested in a timely manner reflecting the anticipated need for the funds and in a manner that maximizes the interest income earned.*

3.2.1 – RRTF Meter Loans: *The meter loan repayments to the RRTF as approved by the Comptroller from time to time are to be made at the end of each quarter and invested in a timely manner.*

3.3 - Notice to Customers: *Parr is directed to ensure that Wholesale customers are provided with adequate notice of rate increases and proposed rates so that they can pass through the increases.*

3.4 – Financial Statements: *Auditor reviewed financial statements for 2009 are to be filed by January 31, 2011. Audited financial statements are to be filed thereafter within 120 days of the fiscal year end.*

5.0 Comptroller Directives

The Directives are summarized in Attachment C to the Decision.

Having considered all of the evidence affecting the Applicant's CPCN Application and proposed interim rates, IT IS HEREBY DECIDED AND ORDERED THAT the Applicant comply with all determinations and directives in this Decision and Order.

Dated at the City of Victoria, in the Province of British Columbia, this 17th day of December, 2010.



Pieter J. Bekker
Deputy Comptroller of Water Rights

File: 0321093

Attachments to the Decision:

Attachment A	Regulatory Timeline
Attachment B	Directives – Interim Decision
Attachment C	Directives – Final Decision
Attachment D	Regulatory Financial Schedules
Attachment E	CIAC & Reserves
Attachment F	Sample Usage Rates
Attachment G	Plant & Depreciation Schedules
Attachment H	Deferral Accounts – Regulatory
Attachment I	Capital Expenditures & Contributed Plant
Attachment J	OM&A
Attachment K	Prescribed Depreciation Rates
Attachment L	Acronyms and Definitions
Attachment M	OM&A Functional Accounts

Attachment A
Regulatory Timeline

**Parr Utilities Ltd.
Regulatory Timeline**

Attachment A

Ref.	Date	Description	Comment
1	May 10, 1967	Parr Initial CPCN	
2	Mid 2005		Parr IR 3.12.2 - "That decision [to adjust the design and capacity to address the needs of the community at large] was made by the shareholder based on community and development demands in mid 2005."
3	2005	Land acquisition	
4	2006/2007	WWSC / Parr Business case	Parr IR 3.12.3 - Business case consolidated and confidential
5	June, 2007	Approval of sale of Parr to 1294671 Alberta Inc.	
6	June 19, 2007	Parr contractual commitments for construction of supply, pumping, treatment and transmission facilities	Parr IR 3.12.3 - The property upon which the treatment facilities were built was acquired in late 2005. Initial design of the facilities commenced in 2006. Parr Utilities was purchased in February of 2007. Work was contracted and constructed beginning in 2007 and extending through 2009.
7	July 25, 2007	CPCN Amendment	
8	April, 2008	Construction commenced	
9	September 12, 2008	Preliminary CPCN information filed	Resort at Copper Point, 52 lot Point Developments subdivision
10	October 7, 2008	CPCN Amendment	37 strata lots: Swansea Rd, Pedley Heights Phase 3
11	December 10, 2008	Information requirements to Parr	
12	January 13, 2009	Information requirements to Parr	
13	February 18, 2009	Information requirements to Parr	
14	November 6, 2008	CPCN Amendment	7 strata lots: Salvidge
15	March 25, 2009	Application for an Interim rate and CPCN approval	
16	April 9, 2009	Comptroller IR1	Responses received on April 20, April 22 and April 24. Some responses not filed.
17	May 4, 2009	CPCN Amendment	Resort at Copper Point, 52 lot Point Developments subdivision, Maurer, Braud
18	May 4, 2009	Interim Rate Decision No. 2190	
19	June 1, 2009	Outstanding IR responses to be filed	Responses filed June 2, 15 and July 14, 2009
20	June 1, 2009	File Interim Water Tariff No. 3	Submitted by Parr June 3, 2010
21	June 10, 2009	CPCN Amendment	Sholinder
22	March 25, 2009	Contribution rate increased to \$3,500.00 from \$3,000.00	
23	September 1, 2009	Effective date for interim rates and treated water service	Suspended until January 1, 2011 at Parr request
24	November 6, 2009	IHA Operating Permit issued	
25	May 27, 2010	CPCN Amendment	Pedley Heights Phase 4
26	June 29, 2010	Baltac RRTF Meter Loan Approval	

Attachment B

Directives – Interim Decision

**Parr Utilities Ltd.
Directives & Filing Requirements**

Attachment B

Ref.	Directives	Date Required	Status	Date Filed	Comment
1	File outstanding IR responses	June 1, 2009		June 2, 2009 June 15, 2009 July 14, 2009	Responses not filed when required
2	File Interim Water Tariff No. 3	June 1, 2009	Filed	June 3, 2009	When was it filed?
3	Evidentiary update to be filed	September 18, 2009	Filed Amended Final	July 30, 2010 August 13, 2010 September 27, 2010	11 months late
4	Application is to include all facilities or works required to provide service, including transmission mains, distribution mains, meters and associated CIAC		Not done; Decision s. 2.2.11		Parr IR 3.10.5.b.ii. - "All developments in the existing or proposed service area were reviewed to confirm the actual value of infrastructure (mains, valves, services, etc.) that has been contributed to the utility or that is expected to be contributed as those developments connect to the system." Parr IR 3.10.5.f. - "All contributions, whether received as cash contributions or contributed facilities from community extensions, were identified and included either based on actual contributions or forecast contributions, as noted in b. above." Parr IR 3.10.13.1 - "The land upon which the utility operates is owned by a separate entity; however a Statutory Right of Way was registered on the entire property that allows for the operation of the water utility in perpetuity. ... All utility services utilized by Parr for the operation of the utility are recovered through the facility rental arrangement." Parr IR 3.10.5 - "Parr's financial statements incorporate all contributed or acquired property."
5	Costs and calculations for Wholesale (Bulk) water service		Not done; Decision s. 2.2.1		
6	Functionalization of Operating, Maintenance and Administrative expenses		Not done; Decision s. 2.2.7		Parr IR 3.10.8 - The utility's staff complement is such that overly detailed segregation of costs would introduce unnecessary and imprudent expense.
7	Plant Account by appropriate plant account		Unverified; Decision s. 2.2.11		
8	Identification of General Plant Requirements		Not done; Decision s. 2.2.11		
9	File a CPCN Amendment Application for all service extensions, including wholesale/bulk water service		In compliance		
10	File IR 3 responses	September 30, 2010	Incomplete or refused to respond to IRs	September 30, 2010 October 15, 2010 November 1, 2010	Extension to October 15 & 30 approved
11	File December 31, 2010 Audited Financial Statements	October 31, 2010	Not filed		
12	Parr Final Comments	November 24, 2010	Filed		

Attachment C

Directives – Final Decision

**Parr Utilities Ltd.
Directives & Filing Requirements**

Attachment C

Ref.	Decision s.	Directives	Date Required	Status	Date Filed	Comment
1	2.2.1	Usage based rates effective January 1, 2013	October 30, 2012			
2	2.2.2	Deficiencies to be funded by the Shareholder/Developer	Immediately			
3	2.2.6	Contribution of Land and Building(s) to the utility	As soon as practicable but no later than June 30, 2011			
4	2.2.7	Evidence to support OM&A, Shared Services and insurance with next RRA	Next RRA			
5	2.2.7	Shared Services descriptions, cost/allocation factors and organization charts to be filed with next RRA	Next RRA			
6	2.2.9	Tariff Amendments to be filed with changers identified and dated	January 15, 2011			
7	2.2.10	Implement Prescribed Depreciation rates	January 1, 2010			
8	2.2.11	Record all utility plant whether purchased, constructed or contributed, including Land, Buildings, Supply, Pumping, Treatment, Transmission/Feeder Mains, Distribution Mains, System Meters, Customer Meters, Tools, Computers, Office Furniture, Equipment	Implement January 1, 2010; File June 30, 2011			Shared General Plant to be allocated on cost drivers
9	2.2.7	Maintain OM&A costs by Function	January 1, 2011			Directive from Interim Decision
10	2.2.11	Ensure that facilities are recorded in the appropriate plant accounts	June 30, 2011			
11	2.2.5	Treatment of CIAC, Latecomer Charges & DCRF				
12	3.1	Response to Rohit Complaint	January 31, 2011			Separate process
13	3.2	Reserve Fund Contributions and Investments				Quarterly with active management of funds
14	3.2.1	Meter loan repayments and investments				Quarterly with active management of funds
15	3.3	Notices to customers of rate changes				3 month notice to RDEK
16	3.4	File 2009 reviewed financial statements File audited financial statements commencing with 2010	January 31, 2011 120 days after year end			

Attachment D
Regulatory Financial Schedules

Parr Utilities

Revenue Requirements

		(9 mo.)						
	<u>2006/07</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenue								
Residential	0.0	18.5	37.2	93.6	136.4	235.4	367.6	443.5
Commercial	0.0	0.0	0.0	0.0	26.3	52.6	52.6	52.6
Irrigation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wholesale / Bulk	0.0	0.0	0.0	0.0	0.0	241.0	582.2	582.2
Vacant Lot Charges	0.0	0.0	0.0	27.4	14.0	35.9	86.0	21.6
Fire Flow/Protection								
	0.0	18.5	37.2	121.0	176.7	564.9	1,088.4	1,099.9
Rate Increase Req'd								
Developer Deficiency Funding	0.0	90.4	128.2	173.0	694.6	334.3	(29.8)	59.2
	0.0	108.9	165.4	294.0	871.3	899.2	1,058.6	1,159.1
Investment Income (To Reserves)		0.0	0.0	22.4	44.9	66.6	61.1	41.9
To Reserves		0.0	0.0	(22.4)	(44.9)	(66.6)	(61.1)	(41.9)
Total Revenue	0.0	108.9	165.4	294.0	871.3	899.2	1,058.6	1,159.1
Revenue Requirements								
Operating Expenses	0.0	121.9	264.8	164.0	181.8	219.6	271.2	282.4
Maintenance Expenses	0.0	0.0	0.0					
General & Accounting	0.0	0.0	0.0	170.0	181.3	186.5	191.9	198.5
Customer Accounting	0.0	0.0	0.0					
Administration	0.0	0.0	0.0					
Amortization - Deferred Charges				0.0	0.0	7.9	7.9	7.9
Management Fee	0.0	0.0	0.0					
Adjustment (Credit)	0.0	26.7	258.0					
Disallowed (Credit)	0.0	0.0					(76.7)	(78.4)
Capitalized (Credit)	0.0	(26.7)	(258.0)	(126.5)	(40.0)	(99.6)	0.0	0.0
Insurance	0.0	0.0	13.3	32.0	20.0	20.5	20.9	21.4
Property Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	121.9	278.1	239.5	343.1	334.9	415.2	431.8
Total OM&A								
Depreciation				1.7	314.7	340.3	395.9	433.3
Amortization				(1.7)	(313.1)	(337.1)	(390.6)	(417.7)
Net Depreciation	0.0	0.0	0.0	0.0	1.6	3.2	5.3	15.6
Replacement Reserve (RRF) (Incl. Loan)	0.0	0.0	9.1	1.7	314.7	348.2	409.2	472.3
	0.0	121.9	287.2	241.2	659.4	686.3	829.7	919.7
Interest Expense	0.0	0.0	0.8	3.9	6.5	4.4	4.7	4.9
Net Income (Loss)								
Operating Risk Premium/Margin (net of Tax)	0.0	0.0	0.0	20.8	32.3	31.4	39.4	41.0
Return on Equity								
Income Taxes	0.0	(15.5)	(122.6)	28.1	173.1	177.1	184.8	193.5
Total Revenue Requirements	0.0	106.4	165.4	294.0	871.3	899.2	1,058.6	1,159.1
Deficiency - Disallowed (Net Deficiency)			128.2	173.0	694.6	334.3	(29.8)	59.2
Unit OMA Cost								
\$/Cust		1,250.26	2,715.90	2,128.21	1,722.96	1,024.94	846.59	881.16
\$/m3			12.26	9.61	1.15	0.94	0.96	0.83

Parr Utilities

Revenue Requirements

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenue						
Residential	443.5	461.5	497.5	533.5	569.5	605.5
Commercial	52.6	52.6	52.6	52.6	52.6	52.6
Irrigation	0.0	0.0	0.0	0.0	0.0	0.0
Wholesale / Bulk	582.2	582.2	582.2	582.2	582.2	582.2
Vacant Lot Charges	0.0	0.0	0.0	0.0	0.0	0.0
Fire Flow/Protection						
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,078.3	1,096.3	1,132.3	1,168.3	1,204.3	1,240.3
Rate Increase Req'd						
Developer Deficiency Funding	100.7	109.9	129.9	135.1	139.7	145.9
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,179.0	1,206.2	1,262.2	1,303.4	1,344.0	1,386.2
Investment Income (To Reserves)	42.2	57.3	74.4	92.3	110.9	130.1
To Reserves	(42.2)	(57.3)	(74.4)	(92.3)	(110.9)	(130.1)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue	1,179.0	1,206.2	1,262.2	1,303.4	1,344.0	1,386.2
Revenue Requirements						
Operating Expenses	293.5	306.9	320.1	333.9	347.4	361.6
Maintenance Expenses						
General & Accounting	205.2	211.4	217.7	224.3	231.0	238.0
Customer Accounting						
Administration						
Amortization - Deferred Charges	7.9	7.9	7.9	7.9	7.9	7.9
Management Fee						
Adjustment (Credit)						
Disallowed (Credit)	(80.2)	(82.0)	(83.8)	(85.7)	(87.6)	(89.6)
Capitalized (Credit)	0.0	0.0				
Insurance	21.9	22.4	22.9	23.4	23.9	24.4
Property Taxes	0.0	0.0	0.0	0.0	0.0	0.0
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total OM&A	448.3	466.6	484.8	503.8	522.6	542.3
Depreciation	433.3	433.3	451.4	457.1	462.7	468.4
Amortization	(417.7)	(417.7)	(434.7)	(439.1)	(443.6)	(448.0)
Net Depreciation	15.6	15.6	16.7	18.0	19.1	20.4
Replacement Reserve (RRF) (Incl. Loan)	472.3	472.3	493.3	502.0	510.7	519.5
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	936.2	954.5	994.8	1,023.8	1,052.4	1,082.2
Interest Expense	5.1	5.3	5.6	5.9	6.2	6.5
Net Income (Loss)						
Operating Risk Premium/Margin (net of Tax)	42.6	44.4	46.2	48.0	49.9	51.8
Return on Equity						
Income Taxes	195.1	202.0	215.6	225.7	235.5	245.7
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue Requirements	1,179.0	1,206.2	1,262.2	1,303.4	1,344.0	1,386.2
Deficiency - Disallowed (Net Deficiency)	100.7	109.9	129.9	135.1	139.7	145.9
Unit OMA Cost						
\$/Cust	915.51	882.66	854.18	830.78	809.91	792.81
\$/m3	0.82	0.86	0.89	0.93	0.96	1.00

Parr Utilities

Income Statement

	<u>2006/07</u>	(9 mo.) <u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenue								
Sales	0.0	18.5	37.2	93.6	162.7	529.0	1,002.4	1,078.3
Vacant Lot Charges	0.0	0.0	0.0	27.4	14.0	35.9	86.0	21.6
Fireflow Protection	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate Increase Required	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	18.5	37.2	121.0	176.7	564.9	1,088.4	1,099.9
Other Income								
Investment Income	0.0	0.0	0.0	22.4	44.9	66.6	61.1	41.9
Investment Income to Reserves	0.0	0.0	0.0	(22.4)	(44.9)	(66.6)	(61.1)	(41.9)
Developer Deficiency Funding	0.0	90.4	128.2	173.0	694.6	334.3	(29.8)	59.2
	0.0	90.4	128.2	173.0	694.6	334.3	(29.8)	59.2
Total Revenue	0.0	108.9	165.4	294.0	871.3	899.2	1,058.6	1,159.1
Expenses								
Operating Expenses	0.0	121.9	264.8	164.0	181.8	219.6	271.2	282.4
Maintenance Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General & Accounting	0.0	0.0	0.0	170.0	181.3	186.5	191.9	198.5
Customer Accounting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization - Deferred Charges	0.0	0.0	0.0	0.0	0.0	7.9	7.9	7.9
Management Fee	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjustment (Credit)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Disallowed (Credit)	0.0	0.0	0.0	0.0	0.0	0.0	(76.7)	(78.4)
Capitalized (Credit)	0.0	0.0	0.0	(126.5)	(40.0)	(99.6)	0.0	0.0
Insurance	0.0	0.0	13.3	32.0	20.0	20.5	20.9	21.4
Property Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation & Amortization - Net	0.0	0.0	0.0	0.0	1.6	3.2	5.3	15.6
Replacement Reserve (incl. Loan)	0.0	0.0	9.1	1.7	314.7	348.2	409.2	472.3
Total Expenses	0.0	121.9	287.2	241.2	659.4	686.3	829.7	919.7
Operating Income	0.0	(13.0)	(121.8)	52.8	211.9	212.9	228.9	239.4
Interest Expense	0.0	0.0	0.8	3.9	6.5	4.4	4.7	4.9
Net Income Before Tax	0.0	(13.0)	(122.6)	48.9	205.4	208.5	224.2	234.5
Income Tax	0.0	(15.5)	(122.6)	28.1	173.1	177.1	184.8	193.5
Net Income / Operating Risk Premium / ROE	0.0	2.5	0.0	20.8	32.3	31.4	39.4	41.0

Parr Utilities**Income Statement**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenue						
Sales	1,078.3	1,096.3	1,132.3	1,168.3	1,204.3	1,240.3
Vacant Lot Charges	0.0	0.0	0.0	0.0	0.0	0.0
Fireflow Protection	0.0	0.0	0.0	0.0	0.0	0.0
Rate Increase Required	0.0	0.0	0.0	0.0	0.0	0.0
	<u>1,078.3</u>	<u>1,096.3</u>	<u>1,132.3</u>	<u>1,168.3</u>	<u>1,204.3</u>	<u>1,240.3</u>
Other Income						
Investment Income	42.2	57.3	74.4	92.3	110.9	130.1
Investment Income to Reserves	(42.2)	(57.3)	(74.4)	(92.3)	(110.9)	(130.1)
Developer Deficiency Funding	100.7	109.9	129.9	135.1	139.7	145.9
	<u>100.7</u>	<u>109.9</u>	<u>129.9</u>	<u>135.1</u>	<u>139.7</u>	<u>145.9</u>
Total Revenue	<u>1,179.0</u>	<u>1,206.2</u>	<u>1,262.2</u>	<u>1,303.4</u>	<u>1,344.0</u>	<u>1,386.2</u>
Expenses						
Operating Expenses	293.5	306.9	320.1	333.9	347.4	361.6
Maintenance Expenses	0.0	0.0	0.0	0.0	0.0	0.0
General & Accounting	205.2	211.4	217.7	224.3	231.0	238.0
Customer Accounting	0.0	0.0	0.0	0.0	0.0	0.0
Administration	0.0	0.0	0.0	0.0	0.0	0.0
Amortization - Deferred Charges	7.9	7.9	7.9	7.9	7.9	7.9
Management Fee	0.0	0.0	0.0	0.0	0.0	0.0
Adjustment (Credit)	0.0	0.0	0.0	0.0	0.0	0.0
Disallowed (Credit)	(80.2)	(82.0)	(83.8)	(85.7)	(87.6)	(89.6)
Capitalized (Credit)	0.0	0.0	0.0	0.0	0.0	0.0
Insurance	21.9	22.4	22.9	23.4	23.9	24.4
Property Taxes	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation & Amortization - Net	15.6	15.6	16.7	18.0	19.1	20.4
Replacement Reserve (incl. Loan)	472.3	472.3	493.3	502.0	510.7	519.5
	<u>936.2</u>	<u>954.5</u>	<u>994.8</u>	<u>1,023.8</u>	<u>1,052.4</u>	<u>1,082.2</u>
Total Expenses	<u>936.2</u>	<u>954.5</u>	<u>994.8</u>	<u>1,023.8</u>	<u>1,052.4</u>	<u>1,082.2</u>
Operating Income	<u>242.8</u>	<u>251.7</u>	<u>267.4</u>	<u>279.6</u>	<u>291.6</u>	<u>304.0</u>
Interest Expense	<u>5.1</u>	<u>5.3</u>	<u>5.6</u>	<u>5.9</u>	<u>6.2</u>	<u>6.5</u>
Net Income Before Tax	<u>237.7</u>	<u>246.4</u>	<u>261.8</u>	<u>273.7</u>	<u>285.4</u>	<u>297.5</u>
Income Tax	<u>195.1</u>	<u>202.0</u>	<u>215.6</u>	<u>225.7</u>	<u>235.5</u>	<u>245.7</u>
Net Income / Operating Risk Premium / ROE	<u>42.6</u>	<u>44.4</u>	<u>46.2</u>	<u>48.0</u>	<u>49.9</u>	<u>51.8</u>

Parr Utilities

Balance Sheet

	<u>2006/07</u>	(9 mo.) <u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Assets								
Cash	0.0	26.4	65.1	1,283.9	181.9	0.0	0.0	0.0
Accounts Receivable - Trade	0.0	1.6	276.8	30.3	44.2	101.1	175.1	177.9
Accounts Receivable - Deficiency	0.0	90.4	218.6	14.4	57.9	27.9	(2.5)	4.9
Accounts Receivable - Developer/SH		948.3	5,650.3					
Prepays	0.0	13.3	13.4	13.7	14.0	14.3	14.6	14.9
Taxes Receivable	0.0	0.0	0.6					
Inventory	0.0	0.0	0.0	15.0	15.3	15.6	16.0	16.4
Current Assets	0.0	1,080.0	6,224.8	1,357.3	313.3	158.9	203.2	214.1
Taxes Receivable	0.0	15.5	138.0					
Deferred Charges			0.0	41.9	79.4	71.5	63.5	55.6
Reserve/Restricted Funds (Investments)								
Latecomer Charges		414.8	547.3		211.7	0.0	0.0	0.0
Latecomer Charges - Holdback	0.0	0.0	0.0	0.0	2,000.0	2,000.0	1,000.0	0.0
Capital Replacement	0.0	100.4	112.9	117.4	360.2	667.9	841.8	1,340.6
Capacity	0.0	108.0	207.1	212.3	27.7	78.4	117.9	133.3
Deficiency								
Other		4.2	4.2					
Total Reserves (Investments)	0.0	627.4	871.5	329.7	2,599.6	2,746.3	1,959.7	1,473.9
Plant, Property & Equipment	0.0	98.3	98.3	98.3	11,247.0	14,428.4	16,771.4	16,771.4
Accumulated Depreciation	0.0	(98.3)	(98.3)	(100.0)	(414.7)	(755.0)	(1,150.9)	(1,584.2)
Net Plant in Service	0.0	0.0	0.0	(1.7)	10,832.3	13,673.4	15,620.5	15,187.2
Construction Work in Progress	0.0	533.5	5,103.0	8,803.0	0.0	0.0	0.0	0.0
Plant Held for Future Use								
Accumulated Depreciation								
Net Plant Held for Future Use	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Assets	0.0	2,256.3	12,337.2	10,530.2	13,824.6	16,650.1	17,846.9	16,930.8

Parr Utilities

Balance Sheet

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Assets						
Cash	21.4	45.5	65.0	85.3	105.7	126.0
Accounts Receivable - Trade	172.5	177.0	186.0	195.0	204.0	213.0
Accounts Receivable - Deficiency	8.4	9.2	10.8	11.3	11.6	12.2
Accounts Receivable - Developer/SH						
Prepays	15.2	15.5	15.8	16.2	16.6	17.0
Taxes Receivable						
Inventory	16.8	17.2	17.6	18.0	18.4	18.8
Current Assets	<u>234.3</u>	<u>264.4</u>	<u>295.2</u>	<u>325.8</u>	<u>356.3</u>	<u>387.0</u>
Taxes Receivable						
Deferred Charges	47.7	39.7	31.8	23.8	15.9	7.9
Reserve/Restricted Funds (Investments)						
Latecomer Charges	0.0	0.0	0.0	0.0	0.0	0.0
Latecomer Charges - Holdback	0.0	0.0	0.0	0.0	0.0	0.0
Capital Replacement	1,851.8	2,346.4	2,874.0	3,422.9	3,993.6	4,586.7
Capacity	136.6	317.2	502.3	692.0	886.5	1,085.9
Deficiency						
Other						
Total Reserves (Investments)	<u>1,988.4</u>	<u>2,663.6</u>	<u>3,376.3</u>	<u>4,114.9</u>	<u>4,880.1</u>	<u>5,672.6</u>
Plant, Property & Equipment	16,771.4	17,242.8	17,614.8	17,987.5	18,360.9	18,735.0
Accumulated Depreciation	(2,017.5)	(2,450.8)	(2,902.2)	(3,359.3)	(3,822.0)	(4,290.4)
Net Plant in Service	<u>14,753.9</u>	<u>14,792.0</u>	<u>14,712.6</u>	<u>14,628.2</u>	<u>14,538.9</u>	<u>14,444.6</u>
Construction Work in Progress	0.0	0.0	0.0	0.0	0.0	0.0
Plant Held for Future Use						
Accumulated Depreciation						
Net Plant Held for Future Use	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Assets	<u>17,024.3</u>	<u>17,759.7</u>	<u>18,415.9</u>	<u>19,092.7</u>	<u>19,791.2</u>	<u>20,512.1</u>

Parr Utilities

Balance Sheet

	<u>2006/07</u>	(9 mo.) <u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Liabilities								
Bank Advances	0.0	0.0	0.0	0.0	0.0	22.7	23.8	7.8
Accounts Payable	0.0	345.6	1,152.9	8.6	13.5	13.1	16.4	17.1
Income Taxes Payable				2.3	14.4	14.8	15.4	16.1
Due to Shareholder	0.0	5.3	5.3					
Latecomer Charges		414.8	547.3	621.2	211.7	0.0	0.0	0.0
Current Liabilities	0.0	765.7	1,705.5	632.1	239.6	50.6	55.6	41.0
Deferred Revenue	0.0	3.3	0.4					
Due to Related Party	0.0	145.2	4,287.5					
Due to Replacement Reserve					78.8	124.7	368.3	329.3
Long Term Debt	0.0	0.0	0.0					
Latecomer Charges Holdback		0.0	0.0	0.0	2,000.0	2,000.0	1,000.0	0.0
Refundable Contributions	0.0	4.2	26.8	26.8	0.0	0.0	0.0	0.0
	0.0	4.2	26.8	26.8	2,000.0	2,000.0	1,000.0	0.0
Reserves								
Latecomer Charges		414.8	547.3	621.2	211.7	0.0	0.0	0.0
Replacement Reserve	0.0	100.4	112.9	117.4	360.2	667.9	841.8	1,340.6
Capital Expansion Reserve	0.0	108.0	207.1	212.3	27.7	78.4	117.9	133.3
Deficiency Reserve	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Reserves	0.0	623.2	867.3	950.9	599.6	746.3	959.7	1,473.9
Contributions in Aid of Construction (CIAC)	0.0	181.1	346.6	98.3	11,168.2	14,295.8	16,381.9	16,381.9
Capital Expenditures		533.5	5,103.0	8,803.0				
Amortization	0.0	0.0	0.0	(1.7)	(314.8)	(651.9)	(1,042.5)	(1,460.2)
Net CIAC	0.0	714.6	5,449.6	8,899.6	10,853.4	13,643.9	15,339.4	14,921.7
Total Liabilities	0.0	2,256.1	12,337.0	10,509.3	13,771.4	16,565.5	17,723.0	16,765.9
Shareholders Equity								
Common Shares	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Preference Shares	0.0	0.0	0.0					
Other (Advances)	0.0	0.0	0.0					
Share Capital	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Retained Earnings								
Opening Balance	0.0	(2.4)	(90.4)	(0.0)	20.8	53.1	84.5	123.9
Net Income	0.0	(88.0)	(128.2)	20.8	32.3	31.4	39.4	41.0
Deficiency Funding		90.4	218.6					
Transfer to Reserves			0.0					
Dividends	0.0	0.0	0.0					
Closing Balance	0.0	0.0	(0.0)	20.8	53.1	84.5	123.9	164.9
Total Shareholders Equity	0.1	0.1	0.1	20.9	53.2	84.6	124.0	165.0
Total Liabilities & Equity	0.1	2,256.2	12,337.1	10,530.2	13,824.6	16,650.1	17,847.0	16,930.9

Parr Utilities**Balance Sheet**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Liabilities						
Bank Advances	0.0	0.0	0.0	0.0	0.0	0.0
Accounts Payable	17.8	18.5	19.2	20.0	20.8	21.6
Income Taxes Payable	16.3	16.8	18.0	18.8	19.6	20.5
Due to Shareholder						
Latecomer Charges	0.0	0.0	0.0	0.0	0.0	0.0
Current Liabilities	34.1	35.3	37.2	38.8	40.4	42.1
Deferred Revenue						
Due to Related Party						
Due to Replacement Reserve	290.3	280.7	268.8	254.6	238.0	219.0
Long Term Debt						
Latecomer Charges Holdback	0.0	0.0	0.0	0.0	0.0	0.0
Refundable Contributions	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0	0.0
Reserves						
Latecomer Charges	0.0	0.0	0.0	0.0	0.0	0.0
Replacement Reserve	1,851.8	2,346.4	2,874.0	3,422.9	3,993.6	4,586.7
Capital Expansion Reserve	136.6	317.2	502.3	692.0	886.5	1,085.9
Deficiency Reserve	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total Reserves	1,988.4	2,663.6	3,376.3	4,114.9	4,880.1	5,672.6
Contributions in Aid of Construction (CIAC)	16,381.9	16,823.9	17,165.9	17,507.9	17,849.9	18,191.9
Capital Expenditures						
Amortization	(1,877.9)	(2,295.6)	(2,730.3)	(3,169.4)	(3,613.0)	(4,061.0)
Net CIAC	14,504.0	14,528.3	14,435.6	14,338.5	14,236.9	14,130.9
Total Liabilities	16,816.8	17,507.9	18,117.9	18,746.8	19,395.4	20,064.6
Shareholders Equity						
Common Shares	0.1	0.1	0.1	0.1	0.1	0.1
Preference Shares						
Other (Advances)						
Share Capital	0.1	0.1	0.1	0.1	0.1	0.1
Retained Earnings						
Opening Balance	164.9	207.5	251.9	298.1	346.1	396.0
Net Income	42.6	44.4	46.2	48.0	49.9	51.8
Deficiency Funding						
Transfer to Reserves						
Dividends						
Closing Balance	207.5	251.9	298.1	346.1	396.0	447.8
Total Shareholders Equity	207.6	252.0	298.2	346.2	396.1	447.9
Total Liabilities & Equity	17,024.4	17,759.9	18,416.1	19,093.0	19,791.5	20,512.5

Parr Utilities

Cash Flow

	<u>2006/07</u>	(9 mo.) <u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Cashflow from Operations								
Net Income	0.0	2.5	0.0	20.8	32.3	31.4	39.4	41.0
Deficiency		(2.4)						
Depreciation & Amortization - Net	0.0	0.0	0.0	0.0	1.6	11.1	13.2	23.5
Replacement Reserve	0.0	0.0						
Change in Working Capital	0.0	(287.9)	(4,166.3)	5,012.9	(450.4)	(239.2)	(40.4)	(9.5)
	<u>0.0</u>	<u>(287.8)</u>	<u>(4,166.3)</u>	<u>5,033.7</u>	<u>(416.5)</u>	<u>(196.7)</u>	<u>12.2</u>	<u>55.0</u>
Cash In								
Income Taxes								
Deferred Revenue		3.3	(2.9)	(0.4)	0.0	0.0	0.0	0.0
Bank Term/Construction Financing								
Loan from RRF					78.8	53.8	256.9	0.0
Shareholder / Intercompany Advances	145.2	4,142.3	0.0	0.0	0.0	0.0	0.0	0.0
Latecomer Charges	414.8	132.5	(547.3)	2,000.0	0.0	0.0	0.0	0.0
Refundable Contribution	4.2	22.6	0.0	(26.8)	0.0	0.0	0.0	0.0
Contributed Facilities	533.5	5,335.0	3,451.7	2,266.9	3,127.6	2,086.1	(0.0)	
Adjustment								
Reserves	623.2	244.1	83.6	(351.2)	146.7	213.4	514.2	
CIAC	181.1	165.5						
Long Term Debt								
Preference Shares								
Common Shares								
	<u>0.0</u>	<u>1,905.2</u>	<u>10,039.1</u>	<u>2,987.7</u>	<u>3,967.7</u>	<u>3,328.1</u>	<u>2,556.4</u>	<u>514.2</u>
Cash Out								
Income Taxes		15.5	122.5	(138.0)	0.0	0.0	0.0	0.0
Deferred Charges				41.9	37.5	0.0	0.0	0.0
Capital Expenditures	533.5	5,335.0	3,700.0	2,345.7	3,181.4	2,343.0	0.0	
Adjustment								
Bank Term/Construction Financing								
Shareholder / Intercompany Advances				4,287.5	0.0	0.0	0.0	0.0
Adjustment								
Latecomer Charges			0.0	0.0	0.0	0.0	1,000.0	1,000.0
Loan Repayment - RRF					0.0	7.9	13.3	39.0
Long Term Debt								
Latecomer Reserve	0.0	0.0	0.0	2,000.0	0.0	(1,000.0)	(1,000.0)	
Reserves - Operating	627.4	244.1	(541.8)	269.9	146.7	213.4	514.2	
Preference Shares								
Dividends								
	<u>0.0</u>	<u>1,176.4</u>	<u>5,701.6</u>	<u>7,349.7</u>	<u>4,653.1</u>	<u>3,336.0</u>	<u>2,569.7</u>	<u>553.2</u>
Increase (Decrease) in Cash								
Opening Balance	0.0	441.1	171.2	671.6	(1,102.0)	(204.6)	(1.1)	16.0
			441.1	612.3	1,283.9	181.9	(22.7)	(23.8)
Closing Balance	0.0	441.1	612.3	1,283.9	181.9	(22.7)	(23.8)	(7.8)

Parr Utilities**Cash Flow**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Cashflow from Operations						
Net Income	42.6	44.4	46.2	48.0	49.9	51.8
Deficiency						
Depreciation & Amortization - Net	23.5	23.5	24.6	25.9	27.0	28.3
Replacement Reserve						
Change in Working Capital	2.1	(4.8)	(9.4)	(8.7)	(8.5)	(8.7)
	<u>68.2</u>	<u>63.1</u>	<u>61.4</u>	<u>65.2</u>	<u>68.4</u>	<u>71.4</u>
Cash In						
Income Taxes						
Deferred Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Bank Term/Construction Financing						
Loan from RRF	0.0	29.4	30.0	30.7	31.4	32.1
Shareholder / Intercompany Advances	0.0	0.0	0.0	0.0	0.0	0.0
Latecomer Charges	0.0	0.0	0.0	0.0	0.0	0.0
Refundable Contribution	0.0	0.0	0.0	0.0	0.0	0.0
Contributed Facilities	0.0	442.0	342.0	342.0	342.0	342.0
Adjustment						
Reserves	514.5	675.2	712.7	738.6	765.2	792.5
CIAC						
Long Term Debt						
Preference Shares						
Common Shares						
	<u>514.5</u>	<u>1,146.6</u>	<u>1,084.7</u>	<u>1,111.3</u>	<u>1,138.6</u>	<u>1,166.6</u>
Cash Out						
Income Taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Charges	0.0	0.0	0.0	0.0	0.0	0.0
Capital Expenditures	0.0	471.4	372.0	372.7	373.4	374.1
Adjustment						
Bank Term/Construction Financing						
Shareholder / Intercompany Advances	0.0	0.0	0.0	0.0	0.0	0.0
Adjustment						
Latecomer Charges	0.0	0.0	0.0	0.0	0.0	0.0
Loan Repayment - RRF	39.0	39.0	41.9	44.9	48.0	51.1
Long Term Debt						
Latecomer Reserve	0.0	0.0	0.0	0.0	0.0	0.0
Reserves - Operating	514.5	675.2	712.7	738.6	765.2	792.5
Preference Shares						
Dividends						
	<u>553.5</u>	<u>1,185.6</u>	<u>1,126.6</u>	<u>1,156.2</u>	<u>1,186.6</u>	<u>1,217.7</u>
Increase (Decrease) in Cash	29.2	24.1	19.5	20.3	20.4	20.3
Opening Balance	(7.8)	21.4	45.5	65.0	85.3	105.7
Closing Balance	<u>21.4</u>	<u>45.5</u>	<u>65.0</u>	<u>85.3</u>	<u>105.7</u>	<u>126.0</u>

Parr Utilities

Revenue Summary Schedule

	<u>2006/07</u>	(9 mo.) <u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Residential								
Townhouses	-	-	-	-	-	-	-	-
Single Detached	-	-	-	93.6	136.4	235.4	367.6	443.5
Multi-level	-	-	-	-	-	-	-	-
Total Residential	-	-	-	93.6	136.4	235.4	367.6	443.5
Commercial								
Hotel	-	-	-	-	26.3	52.6	52.6	52.6
Other (____)	-	-	-	-	-	-	-	-
Total Commercial	-	-	-	-	26.3	52.6	52.6	52.6
Irrigation (Golf Course)	-	-	-	-	-	-	-	-
Retail	-	-	-	93.6	189.0	340.6	472.8	548.7
Wholesale / Bulk	-	-	-	-	-	241.0	582.2	582.2
Total Sales Revenue (Incl. Wholesale/Bulk)	-	-	-	93.6	162.7	529.0	1,002.4	1,078.3
Vacant Lot Charges	-	-	-	27.4	14.0	35.9	86.0	21.6
Fire Protection	-	-	-	-	-	-	-	-
Total Revenue	-	-	-	121.0	176.7	564.9	1,088.4	1,099.9

Parr Utilities

Revenue Summary Schedule

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Residential						
Townhouses	-	-	-	-	-	-
Single Detached	443.5	461.5	497.5	533.5	569.5	605.5
Multi-level	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Residential	443.5	461.5	497.5	533.5	569.5	605.5
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Commercial						
Hotel	52.6	52.6	52.6	52.6	52.6	52.6
Other (____)	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Commercial	52.6	52.6	52.6	52.6	52.6	52.6
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Irrigation (Golf Course)	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Retail	548.7	566.7	602.7	638.7	674.7	710.7
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Wholesale / Bulk	582.2	582.2	582.2	582.2	582.2	582.2
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Sales Revenue (Incl. Wholesale/Bulk)	1,078.3	1,096.3	1,132.3	1,168.3	1,204.3	1,240.3
Vacant Lot Charges	-	-	-	-	-	-
Fire Protection	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue	1,078.3	1,096.3	1,132.3	1,168.3	1,204.3	1,240.3
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Parr Utilities

Sales Statistics & Rates

	<u>2006/07</u>	(9 mo.) <u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Customers - Year end								
Townhouses	-	130	130	130	249	405	616	616
Single Detached								
Multi-level								
<hr/>								
Hotel	-	130	130	130	249	405	616	616
Other Commercial					1	1	1	1
Irrigation								
Wholesale / Bulk					-	-	3	4
<hr/>								
Total	-	130	130	130	250	409	621	621
<hr/>								
Wholesale / Bulk - Equivalent Customers						515	1,244	1,244

Volumes per Customer

Townhouses			288	288	288	288	288	288
Single Detached								
Multi-level								
<hr/>								
Hotel				-	30,816	30,816	30,816	30,816
Other Commercial								
Irrigation								
Wholesale / Bulk						102,144	87,912	93,528

Volumes - Total

Townhouses	-	-	-	-	-	-	-	-
Single Detached	-	-	28,800	28,800	72,576	107,424	165,312	251,424
Multi-level								
<hr/>								
Hotel	-	-	28,800	28,800	72,576	107,424	165,312	251,424
Other Commercial			-	-	30,816	30,816	30,816	30,816
Irrigation								
Wholesale / Bulk			-	-	269,856	306,432	351,648	374,112
<hr/>								
Total	-	-	28,800	28,800	373,248	444,672	547,776	656,352

Rates

	Fixed - 100% (\$/mo.)	Fixed - 25% (\$/mo.)	Usage - 75% (\$/m3)	Fixed - 75% (\$/mo.)	Usage - 25% (\$/m3)	Fixed - 50% (\$/mo.)	Usage - 50% (\$/m3)	Usage - 100% (\$/m3)
Townhouses	60.00							
Single Detached	60.00	15.00	1.1883	45.00	0.3961	30.00	0.7922	1.5844
Multi-level	60.00							
<hr/>								
Hotel	4,380.00	1,095.00	1.2792	3,285.00	0.4264	2,190.00	0.8528	1.7056
Other Commercial	-							
Irrigation	-							
Wholesale/Bulk	39.00							1.3896

Vacant Lot Charges

	(\$/year)
Townhouses	432.00
Single Detached	432.00
Multi-level	432.00
<hr/>	
Hotel	
Other Commercial	

Parr Utilities

Sales Statistics & Rates

	2014	2015	2016	2017	2018	2019
Customers - Year end						
Townhouses						
Single Detached	616	666	716	766	816	866
Multi-level						
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Hotel	1	1	1	1	1	1
Other Commercial						
Irrigation						
Wholesale / Bulk	4	4	4	4	4	4
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	621	671	721	771	821	871
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Wholesale / Bulk - Equivalent Customers	1,244	1,244	1,244	1,244	1,244	1,244

Volumes per Customer						
Townhouses						
Single Detached	288	288	288	288	288	288
Multi-level						
Hotel	30,816	30,816	30,816	30,816	30,816	30,816
Other Commercial						
Irrigation						
Wholesale / Bulk	95,400	95,400	95,400	95,400	95,400	95,400

Volumes - Total						
Townhouses	-	-	-	-	-	-
Single Detached	279,936	279,936	279,936	279,936	279,936	279,936
Multi-level						
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Hotel	279,936	279,936	279,936	279,936	279,936	279,936
Other Commercial	30,816	30,816	30,816	30,816	30,816	30,816
Irrigation						
Wholesale / Bulk	381,600	381,600	381,600	381,600	381,600	381,600
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	692,352	692,352	692,352	692,352	692,352	692,352

Rates

f

Townhouses
 Single Detached
 Multi-level

 Hotel
 Other Commercial
 Irrigation
 Wholesale/Bulk

Vacant Lot Charges

Townhouses
 Single Detached
 Multi-level

 Hotel
 Other Commercial

Parr Utilities

Sales & Other Revenue - Statistics

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Residential						
Single Detached Customers	616	666	716	766	816	866
Volume	279,936	279,936	279,936	279,936	279,936	279,936
Peak Demand						
Total Residential Customers	616	666	716	766	816	866
Volume	279,936	279,936	279,936	279,936	279,936	279,936
Peak Demand						
Commercial						
Commercial - Large Customers	1	1	1	1	1	1
Volume	30,816	30,816	30,816	30,816	30,816	30,816
Peak Demand						
Total Commercial Customers	1	1	1	1	1	1
Volume	30,816	30,816	30,816	30,816	30,816	30,816
Peak Demand						
Irrigation						
Customers	-	-	-	-	-	-
Volume	-	-	-	-	-	-
Peak Demand						
Wholesale / Bulk						
Customers	4	4	4	4	4	4
Volume	381,600	381,600	381,600	381,600	381,600	381,600
Peak Demand						
Vacant Lots						
Residential						
Commercial						
Total						
Customers	621	671	721	771	821	871
Volume	692,352	692,352	692,352	692,352	692,352	692,352
Peak Demand	7,657	7,657	7,657	7,657	7,657	7,657
Plant Capacity	7,666	7,666	7,666	7,666	7,666	7,666
Available Capacity	9	9	9	9	9	9
Fireflow						

Parr Utilities

Sales & Other Revenue

	<u>2006/07</u>	(9 mo.) <u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Residential								
Single Detached Rate								
Fixed				60.00	60.00	60.00	60.00	60.00
Variable						-	-	-
Revenue	-	-	-	93.6	136.4	235.4	367.6	443.5
Total Residential	-	-	-	93.6	136.4	235.4	367.6	443.5
Commercial								
Commercial - Large Rate								
Fixed				4,380.00	4,380.00	4,380.00	4,380.00	4,380.00
Variable						-	-	-
Revenue	-	-	-	-	26.3	52.6	52.6	52.6
Total Commercial	-	-	-	-	26.3	52.6	52.6	52.6
Irrigation								
Rate								
Fixed				-	-	-	-	-
Variable						-	-	-
Revenue	-	-	-	-	-	-	-	-
Wholesale / Bulk								
Rate								
Fixed				39.00	39.00	39.00	39.00	39.00
Variable					-	-	-	-
Revenue	#VALUE!	-	-	-	-	241.0	582.2	582.2
Sales Revenue	-	-	-	93.6	162.7	529.0	1,002.4	1,078.3
Vacant Lot Charges								
Residential Rate				432.00	432.00	432.00	432.00	432.00
Revenue	-	-	-	27.4	14.0	35.9	86.0	21.6
Commercial Rate				-	-	-	-	-
Revenue	-	-	-	-	-	-	-	-
Total Vacant Lot Charges	-	-	-	27.4	14.0	35.9	86.0	21.6
Total Revenue	-	-	-	121.0	176.7	564.9	1,088.4	1,099.9

Parr Utilities

Sales & Other Revenue

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Residential						
Single Detached						
Rate						
Fixed	60.00	60.00	60.00	60.00	60.00	60.00
Variable	-	-	-	-	-	-
Revenue	<u>443.5</u>	<u>461.5</u>	<u>497.5</u>	<u>533.5</u>	<u>569.5</u>	<u>605.5</u>
Total Residential	<u>443.5</u>	<u>461.5</u>	<u>497.5</u>	<u>533.5</u>	<u>569.5</u>	<u>605.5</u>
Commercial						
Commercial - Large						
Rate						
Fixed	4,380.00	4,380.00	4,380.00	4,380.00	4,380.00	4,380.00
Variable	-	-	-	-	-	-
Revenue	<u>52.6</u>	<u>52.6</u>	<u>52.6</u>	<u>52.6</u>	<u>52.6</u>	<u>52.6</u>
Total Commercial	<u>52.6</u>	<u>52.6</u>	<u>52.6</u>	<u>52.6</u>	<u>52.6</u>	<u>52.6</u>
Irrigation						
Rate						
Fixed	-	-	-	-	-	-
Variable	-	-	-	-	-	-
Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Wholesale / Bulk						
Rate						
Fixed	39.00	39.00	39.00	39.00	39.00	39.00
Variable	-	-	-	-	-	-
Revenue	<u>#VALUE!</u>	<u>582.2</u>	<u>582.2</u>	<u>582.2</u>	<u>582.2</u>	<u>582.2</u>
Sales Revenue	<u>1,078.3</u>	<u>1,096.3</u>	<u>1,132.3</u>	<u>1,168.3</u>	<u>1,204.3</u>	<u>1,240.3</u>
Vacant Lot Charges						
Residential						
Rate	432.00	432.00	432.00	432.00	432.00	432.00
Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Commercial						
Rate	-	-	-	-	-	-
Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Vacant Lot Charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>1,078.3</u>	<u>1,096.3</u>	<u>1,132.3</u>	<u>1,168.3</u>	<u>1,204.3</u>	<u>1,240.3</u>

Parr Utilities

Income Taxes

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Net Income Before IT	237.7	246.4	261.8	273.7	285.4	297.5
Depreciation	15.6	15.6	16.7	18.0	19.1	20.4
Amortization						
Capital Replacement Reserve	472.3	472.3	493.3	502.0	510.7	519.5
RRF Loan Repayment	(39.0)	(39.0)	(41.9)	(44.9)	(48.0)	(51.1)
Investment Income	42.2	57.3	74.4	92.3	110.9	130.1
Contingency/Operating Risk Margin	42.6	44.4	46.2	48.0	49.9	51.8
	<u>771.4</u>	<u>797.0</u>	<u>850.5</u>	<u>889.1</u>	<u>928.0</u>	<u>968.2</u>
CCA						
Utility	(21.0)	(20.0)	(21.0)	(21.0)	(22.0)	(23.0)
Adjustment						
Equipment						
Investment Income	(42.2)	(57.3)	(74.4)	(92.3)	(110.9)	(130.1)
	<u>(63.2)</u>	<u>(77.3)</u>	<u>(95.4)</u>	<u>(113.3)</u>	<u>(132.9)</u>	<u>(153.1)</u>
Business Income	<u>708.2</u>	<u>719.7</u>	<u>755.1</u>	<u>775.8</u>	<u>795.1</u>	<u>815.1</u>
Investment Income	(42.2)	(57.3)	(74.4)	(92.3)	(110.9)	(130.1)
CCA Available	0.0	0.0	0.0	0.0	0.0	0.0
Taxable Investment Income	<u>(42.2)</u>	<u>(57.3)</u>	<u>(74.4)</u>	<u>(92.3)</u>	<u>(110.9)</u>	<u>(130.1)</u>
Income Tax - CCPC	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%
General Rate	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
Investment Income	45.70%	45.70%	45.70%	45.70%	45.70%	45.70%
Business Income	184.1	187.1	196.3	201.7	206.7	211.9
Investment Income (Reserves)	11.0	14.9	19.3	24.0	28.8	33.8
Total Income Tax	<u>195.1</u>	<u>202.0</u>	<u>215.6</u>	<u>225.7</u>	<u>235.5</u>	<u>245.7</u>
SBI Limit/Threshold						
Federal	500	500	500	500	500	500
Provincial	400	400	400	400	400	400

Attachment E
CIAC & Reserves

Parr Utilities
Replacement Reserve

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Replacement Reserve													
Opening Balance	88.5	100.4	112.9	117.4	360.2	667.9	841.8	1,340.6	1,851.8	2,346.4	2,874.0	3,422.9	3,993.6
Additions	11.9	12.5	1.7	314.7	340.3	395.9	433.3	433.3	433.3	451.4	457.1	462.7	468.4
Interest Income			2.8	6.9	13.3	21.6	26.5	38.9	51.7	64.3	77.6	91.4	105.7
Meter Loan				(78.8)	(53.8)	(256.9)	0.0	0.0	(29.4)	(30.0)	(30.7)	(31.4)	(32.1)
Repayment					7.9	13.3	39.0	39.0	39.0	41.9	44.9	48.0	51.1
Withdrawals													
Closing Balance	100.4	112.9	117.4	360.2	667.9	841.8	1,340.6	1,851.8	2,346.4	2,874.0	3,422.9	3,993.6	4,586.7
Meter Loan				78.8	124.7	368.3	329.3	290.3	280.7	268.8	254.6	238.0	219.0

Parr Utilities
Capacity & Performance Reserve

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Capacity Reserve													
Opening Balance	108.0	108.0	207.1	212.3	2,027.7	2,078.4	1,117.9	133.3	136.6	317.2	502.3	692.0	886.5
Additions		99.1		2,000.0	0.0	(1,000.0)	(1,000.0)	0.0	175.0	175.0	175.0	175.0	175.0
Interest Income			5.2	27.7	50.7	39.5	15.4	3.3	5.6	10.1	14.7	19.5	24.4
Transfers				(212.3)									
Withdrawals													
Closing Balance	108.0	207.1	212.3	2,027.7	2,078.4	1,117.9	133.3	136.6	317.2	502.3	692.0	886.5	1,085.9
Performance Reserve	-	-	-	2,000.0	2,000.0	1,000.0	-	-	-	-	-	-	-
	108.0	207.1	212.3	27.7	78.4	117.9	133.3	136.6	317.2	502.3	692.0	886.5	1,085.9

Parr Utilities
Latecomer Charges

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Latecomer Charges													
Opening Balance		414.8	547.3	621.2	211.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additions	414.8	132.5	59.5	1,580.3	3,766.0	661.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Income			14.4	10.3	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capex Funding													
Repayments					(3,980.3)	(1,661.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserves	0.0	0.0	0.0	(2,000.0)		1,000.0	0.0						
Closing Balance	414.8	547.3	621.2	211.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Performance Reserves				2,000.0	2,000.0	1,000.0							

Attachment F

Sample Usage Rates

Parr Utilities

Sample Usage Rates

Customer	66.67% Monthly Rates		Customers	Volume - m3		100%	0%	75%	25%	50%	50%	25%	75%	100%	Option	
	Decision	Option		Annual	Monthly	Fixed Chrg	Usage	Fixed Chrg	Usage	Fixed Chrg	Usage	Fixed Chrg	Usage	Usage	Annual Revenue	Vacant Lot Charge
	Residential															
Townhouse	60.00	60.00	-	-	-	60.00	-	45.00	-	30.00	-	15.00	-	-	-	432.00
Single Detached	60.00	60.00	616	279,936	23,328	60.00	-	45.00	0.3961	30.00	0.7922	15.00	1.1883	1.5844	443,520	432.00
Multi-level	60.00	60.00	-	-	-	60.00	-	45.00	-	30.00	-	15.00	-	-	-	432.00
Commercial																
Hotel	4,380.00	4,380.00	1	30,816	2,568	4,380.00	-	3,285.00	0.4264	2,190.00	0.8528	1,095.00	1.2792	1.7056	52,560	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrigation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale/Bulk	39.00	39.00	4	381,600	31,800	-	-	29.25	0.0012	19.50	0.0025	9.75	0.0037	1.3896	530,271	-
Sub-Total			621	692,352											1,026,351	
Residential				279,936											443,520	
Fire Protection																
Total				692,352											1,026,351	

Attachment G
Plant & Depreciation Schedules

Utility Plant in Service
2007 - 2015

Parr Utilities

Account		1-Apr-07	31-Dec-07	Balance 31-Dec-08	31-Dec-09	31-Dec-10	31-Dec-11	31-Dec-12
Intangible Plant								
302	Franchise and Consents	-	-	-	-	-	-	-
303	Miscellaneous	-	-	-	-	-	-	-
Total Intangible Plant		-	-	-	-	-	-	-
Water Supply Plant								
310	Land	-	-	-	-	-	-	-
310.1	Land Rights	-	-	-	-	-	-	-
310.2	Water Rights	-	-	-	-	-	-	-
311	Structures & Improvements	-	-	-	-	-	-	-
312	Collecting & Impounding Reservoirs	-	-	-	-	-	-	-
313	Lake, River & Other Intakes	-	-	-	-	150,000	150,000	150,000
314	Wells & Springs	-	-	-	-	-	-	-
315	Infiltration Galleries & Tunnels	-	-	-	-	-	-	-
316	Supply Mains	-	-	1,335,000	1,389,000	1,389,000	1,389,000	1,389,000
318	Other	-	-	-	-	-	-	-
Total Water Supply Plant		-	-	1,335,000	1,389,000	1,539,000	1,539,000	1,539,000
Pumping Plant								
320	Land	-	-	-	-	-	-	-
320.1	Land Rights	-	-	-	-	-	-	-
321	Structures & Improvements	-	-	-	-	650,000	650,000	650,000
325	Pumping Equipment	-	-	217,000	271,000	271,000	583,000	583,000
328	Miscellaneous Pumping Equipment	-	-	-	-	-	-	-
Total Pumping Plant		-	-	217,000	271,000	921,000	1,233,000	1,233,000
Water Treatment Plant								
330	Land	-	-	250,000	250,000	250,000	250,000	250,000
330.1	Land Rights	-	-	-	-	-	-	-
331	Structures & Improvements	-	-	500,000	650,000	650,000	650,000	650,000
332	Water Treatment System	-	246,000	3,054,000	3,948,700	3,948,700	3,948,700	3,948,700
Total Water Treatment Plant		-	246,000	3,804,000	4,848,700	4,848,700	4,848,700	4,848,700
Transmission & Distribution Plant								
360	Land	-	-	-	-	-	-	-
360.1	Land Rights	-	-	-	-	-	-	-
361	Structures & Improvements	-	-	-	-	-	-	-
362	Distribution Reservoirs & Standpipes	98,267	98,267	98,267	674,067	674,067	1,351,667	1,351,667
62.1	Fire Cystems, Basins, Fountains & Troughs	-	-	-	-	-	-	-
363.1	Transmission Mains	-	288,000	497,000	1,299,300	1,299,300	2,302,500	2,302,500
363.2	Distribution Mains	-	-	-	-	1,326,900	2,362,100	4,448,200
364	Fire Mains	-	-	-	-	-	-	-
365	Services	-	-	-	-	-	-	-
366.1	System Meters	-	-	-	-	-	-	-
366.2	Customer Meters	-	-	-	-	78,800	132,600	389,500
367	Customer Meter Installation	-	-	-	-	-	-	-
368	Hydrants	-	-	-	-	-	-	-
369	Miscellaneous	-	-	-	-	-	-	-
Total Transmission & Distribution Plant		98,267	386,267	595,267	1,973,367	3,379,067	6,148,867	8,491,867
General Equipment								
389	Land	-	-	-	-	-	-	-
389.1	Land Rights	-	-	-	-	-	-	-
390	Structures & Improvements	-	-	-	-	-	-	-
391.1	Office Furniture and Equipment	-	-	-	-	50,000	50,000	50,000
391.2	Computer Hardware	-	-	-	-	-	-	-
391.3	Computer Software	-	-	-	-	-	-	-
392	Transportation Equipment	-	-	-	-	-	-	-
393.1	Shop Equipment	-	-	-	-	-	-	-
393.2	Stores Equipment	-	-	-	-	-	-	-
394	Tools & Work Equipment	-	-	-	-	50,000	50,000	50,000
395	Laboratory Equipment	-	-	-	-	-	-	-
396	Heavy Work Equipment	-	-	-	-	-	-	-
397	Communication Equipment	-	-	-	-	-	-	-
398	Miscellaneous Equipment	-	-	-	-	-	-	-
Total General Plant		-	-	-	-	100,000	100,000	100,000
Undistributed Plant								
306	Unclassified Plant	-	-	-	-	-	-	-
307	Allowance for Funds Used During Construction (AFUDC / IDC)	-	-	-	-	-	-	-
308	Overhead Charged to Construction (ODC)	-	26,700	292,650	419,190	459,190	558,830	558,830
Total Undistributed Plant		-	26,700	292,650	419,190	459,190	558,830	558,830
101	Total Utility Plant	98,267	658,967	6,243,917	8,901,257	11,246,957	14,428,397	16,771,397
	CWIP	-	560,700	6,145,650	8,802,990	-	-	-
Total Utility Plant in Service		98,267	98,267	98,267	98,267	11,246,957	14,428,397	16,771,397
Ex Meters		-	-	-	-	11,168,157	14,295,797	16,381,897

**Utility Plan
2007**

Account		31-Dec-13	31-Dec-14	31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19
Intangible Plant								
302	Franchise and Consents	-	-	-	-	-	-	-
303	Miscellaneous	-	-	-	-	-	-	-
Total Intangible Plant		-	-	-	-	-	-	-
Water Supply Plant								
310	Land	-	-	-	-	-	-	-
310.1	Land Rights	-	-	-	-	-	-	-
310.2	Water Rights	-	-	-	-	-	-	-
311	Structures & Improvements	-	-	-	-	-	-	-
312	Collecting & Impounding Reservoirs	-	-	-	-	-	-	-
313	Lake, River & Other Intakes	150,000	150,000	150,000	150,000	150,000	150,000	150,000
314	Wells & Springs	-	-	-	-	-	-	-
315	Infiltration Galleries & Tunnels	-	-	-	-	-	-	-
316	Supply Mains	1,389,000	1,389,000	1,389,000	1,389,000	1,389,000	1,389,000	1,389,000
318	Other	-	-	-	-	-	-	-
Total Water Supply Plant		1,539,000	1,539,000	1,539,000	1,539,000	1,539,000	1,539,000	1,539,000
Pumping Plant								
320	Land	-	-	-	-	-	-	-
320.1	Land Rights	-	-	-	-	-	-	-
321	Structures & Improvements	650,000	650,000	650,000	650,000	650,000	650,000	650,000
325	Pumping Equipment	583,000	583,000	583,000	583,000	583,000	583,000	583,000
328	Miscellaneous Pumping Equipment	-	-	-	-	-	-	-
Total Pumping Plant		1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000
Water Treatment Plant								
330	Land	250,000	250,000	250,000	250,000	250,000	250,000	250,000
330.1	Land Rights	-	-	-	-	-	-	-
331	Structures & Improvements	650,000	650,000	650,000	650,000	650,000	650,000	650,000
332	Water Treatment System	3,948,700	3,948,700	3,948,700	3,948,700	3,948,700	3,948,700	3,948,700
Total Water Treatment Plant		4,848,700	4,848,700	4,848,700	4,848,700	4,848,700	4,848,700	4,848,700
Transmission & Distribution Plant								
360	Land	-	-	-	-	-	-	-
360.1	Land Rights	-	-	-	-	-	-	-
361	Structures & Improvements	-	-	-	-	-	-	-
362	Distribution Reservoirs & Standpipes	1,351,667	1,351,667	1,351,667	1,351,667	1,351,667	1,351,667	1,351,667
62.1	Fire Cisterns, Basins, Fountains & Troughs	-	-	-	-	-	-	-
363.1	Transmission Mains	2,302,500	2,302,500	2,302,500	2,302,500	2,302,500	2,302,500	2,302,500
363.2	Distribution Mains	4,448,200	4,448,200	4,790,200	5,132,200	5,474,200	5,816,200	6,158,200
364	Fire Mains	-	-	-	-	-	-	-
365	Services	-	-	-	-	-	-	-
366.1	System Meters	-	-	-	-	-	-	-
366.2	Customer Meters	389,500	389,500	418,900	448,900	479,600	511,000	543,100
367	Customer Meter Installation	-	-	-	-	-	-	-
368	Hydrants	-	-	-	-	-	-	-
369	Miscellaneous	-	-	-	-	-	-	-
Total Transmission & Distribution Plant		8,491,867	8,491,867	8,863,267	9,235,267	9,607,967	9,981,367	10,355,467
General Equipment								
389	Land	-	-	-	-	-	-	-
389.1	Land Rights	-	-	-	-	-	-	-
390	Structures & Improvements	-	-	-	-	-	-	-
391.1	Office Furniture and Equipment	50,000	50,000	100,000	100,000	100,000	100,000	100,000
391.2	Computer Hardware	-	-	50,000	50,000	50,000	50,000	50,000
391.3	Computer Software	-	-	-	-	-	-	-
392	Transportation Equipment	-	-	-	-	-	-	-
393.1	Shop Equipment	-	-	-	-	-	-	-
393.2	Stores Equipment	-	-	-	-	-	-	-
394	Tools & Work Equipment	50,000	50,000	50,000	50,000	50,000	50,000	50,000
395	Laboratory Equipment	-	-	-	-	-	-	-
396	Heavy Work Equipment	-	-	-	-	-	-	-
397	Communication Equipment	-	-	-	-	-	-	-
398	Miscellaneous Equipment	-	-	-	-	-	-	-
Total General Plant		100,000	100,000	200,000	200,000	200,000	200,000	200,000
Undistributed Plant								
306	Unclassified Plant	-	-	-	-	-	-	-
307	Allowance for Funds Used During Construction (AFUDC / IDC)	-	-	-	-	-	-	-
308	Overhead Charged to Construction (ODC)	558,830	558,830	558,830	558,830	558,830	558,830	558,830
Total Undistributed Plant		558,830	558,830	558,830	558,830	558,830	558,830	558,830
101	Total Utility Plant	16,771,397	16,771,397	17,242,797	17,614,797	17,987,497	18,360,897	18,734,997
	CWIP	-	-	-	-	-	-	-
Total Utility Plant in Service		16,771,397	16,771,397	17,242,797	17,614,797	17,987,497	18,360,897	18,734,997
Ex Meters		16,381,897	16,381,897	16,823,897	17,165,897	17,507,897	17,849,897	18,191,897

Parr Utilities
Depreciation Expense
2007 - 2015

Account	Rate	Dep'n 2007	2008	2009	2010	2011	2012
Intangible Plant							
302 Franchise and Consents	1.00%	-	-	-	-	-	-
303 Miscellaneous		-	-	-	-	-	-
Total Intangible Plant		-	-	-	-	-	-
Water Supply Plant							
310 Land		-	-	-	-	-	-
310.1 Land Rights		-	-	-	-	-	-
310.2 Water Rights		-	-	-	-	-	-
311 Structures & Improvements	2.00%	-	-	-	-	-	-
312 Collecting & Impounding Reservoirs	1.30%	-	-	-	-	-	-
313 Lake, River & Other Intakes	5.00%	-	-	3,750	7,500	7,500	-
314 Wells & Springs	2.50%	-	-	-	-	-	-
315 Infiltration Galleries & Tunnels		-	-	-	-	-	-
316 Supply Mains	1.70%	-	-	-	23,613	23,613	23,613
318 Other		-	-	-	-	-	-
Total Water Supply Plant		-	-	-	27,363	31,113	31,113
Pumping Plant							
320 Land		-	-	-	-	-	-
320.1 Land Rights		-	-	-	-	-	-
321 Structures & Improvements	2.50%	-	-	-	8,125	16,250	16,250
325 Pumping Equipment	4.00%	-	-	-	10,840	10,840	23,320
328 Miscellaneous Pumping Equipment	5.00%	-	-	-	-	-	-
Total Pumping Plant		-	-	-	18,965	27,090	39,570
Water Treatment Plant							
330 Land		-	-	-	-	-	-
330.1 Land Rights		-	-	-	-	-	-
331 Structures & Improvements	2.50%	-	-	-	16,250	16,250	16,250
332 Water Treatment System	5.00%	-	-	-	197,435	197,435	197,435
Total Water Treatment Plant		-	-	-	213,685	213,685	213,685
Transmission & Distribution Plant							
360 Land		-	-	-	-	-	-
360.1 Land Rights		-	-	-	-	-	-
361 Structures & Improvements	2.50%	-	-	-	-	-	-
362 Distribution Reservoirs & Standpipes	1.70%	1,671	1,671	1,671	11,459	11,459	22,978
62.1 Fire Cystems, Basins, Fountains & Troughs	2.50%	-	-	-	-	-	-
363.1 Transmission Mains	1.30%	-	-	-	16,891	16,891	29,933
363.2 Distribution Mains	1.30%	-	-	-	8,625	17,250	30,707
364 Fire Mains	2.00%	-	-	-	-	-	-
365 Services	2.00%	-	-	-	-	-	-
366.1 System Meters	4.00%	-	-	-	-	-	-
366.2 Customer Meters	4.00%	-	-	-	1,576	3,152	5,304
367 Customer Meter Installation	4.00%	-	-	-	-	-	-
368 Hydrants	2.00%	-	-	-	-	-	-
369 Miscellaneous	4.00%	-	-	-	-	-	-
Total Transmission & Distribution Plant		1,671	1,671	1,671	38,551	48,752	88,922
General Equipment							
389 Land		-	-	-	-	-	-
389.1 Land Rights		-	-	-	-	-	-
390 Structures & Improvements	2.50%	-	-	-	-	-	-
391.1 Office Furniture and Equipment	5.00%	-	-	-	1,250	2,500	2,500
391.2 Computer Hardware	20.00%	-	-	-	-	-	-
391.3 Computer Software	20.00%	-	-	-	-	-	-
392 Transportation Equipment	14.30%	-	-	-	-	-	-
393.1 Shop Equipment	6.70%	-	-	-	-	-	-
393.2 Stores Equipment	5.00%	-	-	-	-	-	-
394 Tools & Work Equipment	6.70%	-	-	-	1,675	3,350	3,350
395 Laboratory Equipment	6.70%	-	-	-	-	-	-
396 Heavy Work Equipment	6.70%	-	-	-	-	-	-
397 Communication Equipment	10.00%	-	-	-	-	-	-
398 Miscellaneous Equipment	5.00%	-	-	-	-	-	-
Total General Plant		-	-	-	2,925	5,850	5,850
Undistributed Plant							
306 Unclassified Plant	3.00%	-	-	-	-	-	-
307 Allowance for Funds Used During Construction (AFUDC / IDC)	3.00%	-	-	-	-	-	-
308 Overhead Charged to Construction (ODC)	3.00%	-	-	-	13,176	13,776	16,765
Total Undistributed Plant		-	-	-	13,176	13,776	16,765
101 Total Utility Plant in Service		1,671	1,671	1,671	314,665	340,266	395,905
Less Meters					1,671	313,089	337,114
						337,114	390,601

Account	Rate	2013	2014	2015	2016	2017	2018	2019
Intangible Plant								
302 Franchise and Consents	1.00%	-	-	-	-	-	-	-
303 Miscellaneous		-	-	-	-	-	-	-
Total Intangible Plant								
Water Supply Plant								
310 Land		-	-	-	-	-	-	-
310.1 Land Rights		-	-	-	-	-	-	-
310.2 Water Rights		-	-	-	-	-	-	-
311 Structures & Improvements	2.00%	-	-	-	-	-	-	-
312 Collecting & Impounding Reservoirs	1.30%	-	-	-	-	-	-	-
313 Lake, River & Other Intakes	5.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500
314 Wells & Springs	2.50%	-	-	-	-	-	-	-
315 Infiltration Galleries & Tunnels		-	-	-	-	-	-	-
316 Supply Mains	1.70%	23,613	23,613	23,613	23,613	23,613	23,613	23,613
318 Other		-	-	-	-	-	-	-
Total Water Supply Plant								
Pumping Plant								
320 Land		-	-	-	-	-	-	-
320.1 Land Rights		-	-	-	-	-	-	-
321 Structures & Improvements	2.50%	16,250	16,250	16,250	16,250	16,250	16,250	16,250
325 Pumping Equipment	4.00%	23,320	23,320	23,320	23,320	23,320	23,320	23,320
328 Miscellaneous Pumping Equipment	5.00%	-	-	-	-	-	-	-
Total Pumping Plant								
Water Treatment Plant								
330 Land		-	-	-	-	-	-	-
330.1 Land Rights		-	-	-	-	-	-	-
331 Structures & Improvements	2.50%	16,250	16,250	16,250	16,250	16,250	16,250	16,250
332 Water Treatment System	5.00%	197,435	197,435	197,435	197,435	197,435	197,435	197,435
Total Water Treatment Plant								
Transmission & Distribution Plant								
360 Land		-	-	-	-	-	-	-
360.1 Land Rights		-	-	-	-	-	-	-
361 Structures & Improvements	2.50%	-	-	-	-	-	-	-
362 Distribution Reservoirs & Standpipes	1.70%	22,978	22,978	22,978	22,978	22,978	22,978	22,978
62.1 Fire Cysterns, Basins, Fountains & Troughs	2.50%	-	-	-	-	-	-	-
363.1 Transmission Mains	1.30%	29,933	29,933	29,933	29,933	29,933	29,933	29,933
363.2 Distribution Mains	1.30%	57,827	57,827	57,827	62,273	66,719	71,165	75,611
364 Fire Mains	2.00%	-	-	-	-	-	-	-
365 Services	2.00%	-	-	-	-	-	-	-
366.1 System Meters	4.00%	-	-	-	-	-	-	-
366.2 Customer Meters	4.00%	15,580	15,580	15,580	16,756	17,956	19,184	20,440
367 Customer Meter Installation	4.00%	-	-	-	-	-	-	-
368 Hydrants	2.00%	-	-	-	-	-	-	-
369 Miscellaneous	4.00%	-	-	-	-	-	-	-
Total Transmission & Distribution Plant								
General Equipment								
389 Land		-	-	-	-	-	-	-
389.1 Land Rights		-	-	-	-	-	-	-
390 Structures & Improvements	2.50%	-	-	-	-	-	-	-
391.1 Office Furniture and Equipment	5.00%	2,500	2,500	2,500	5,000	5,000	5,000	5,000
391.2 Computer Hardware	20.00%	-	-	-	10,000	10,000	10,000	10,000
391.3 Computer Software	20.00%	-	-	-	-	-	-	-
392 Transportation Equipment	14.30%	-	-	-	-	-	-	-
393.1 Shop Equipment	6.70%	-	-	-	-	-	-	-
393.2 Stores Equipment	5.00%	-	-	-	-	-	-	-
394 Tools & Work Equipment	6.70%	3,350	3,350	3,350	3,350	3,350	3,350	3,350
395 Laboratory Equipment	6.70%	-	-	-	-	-	-	-
396 Heavy Work Equipment	6.70%	-	-	-	-	-	-	-
397 Communication Equipment	10.00%	-	-	-	-	-	-	-
398 Miscellaneous Equipment	5.00%	-	-	-	-	-	-	-
Total General Plant								
Undistributed Plant								
306 Unclassified Plant	3.00%	-	-	-	-	-	-	-
307 Allowance for Funds Used During Construction (AFUDC / IDC)	3.00%	-	-	-	-	-	-	-
308 Overhead Charged to Construction (ODC)	3.00%	16,765	16,765	16,765	16,765	16,765	16,765	16,765
Total Undistributed Plant								
101 Total Utility Plant in Service		433,301	433,301	433,301	451,423	457,069	462,743	468,445
Less Meters		417,721	417,721	417,721	434,667	439,113	443,559	448,005

Attachment H

Deferral Accounts – Regulatory

Attachment I

Capital Expenditures & Contributed Plant

Parr Utilities Ltd.
Capital Expenditure Forecast

Water System	Depr'n Rate	2007 Actual	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total	Application	Responses	EU
Intake Pipe and Screen	2.00%	-	-	-	150.0	-	-	-	-	-	-	-	-	-	150.0	143.8	180.0	150.0
Lake Pumphouse	5.00%	-	-	-	535.0	-	-	-	-	-	-	-	-	-	535.0	345.0	889.7	535.0
Raw Water Booster Station	5.00%	-	-	54.0	-	312.0	-	-	-	-	-	-	-	-	366.0	250.0	-	54.0
Raw Water Pipeline	2.00%	-	-	54.0	-	-	-	-	-	-	-	-	-	-	54.0	-	-	54.0
Pumphouse Power Supply	5.00%	-	-	-	115.0	-	-	-	-	-	-	-	-	-	115.0	115.0	-	115.0
Treatment/Office Land	0.00%	-	250.0	-	-	-	-	-	-	-	-	-	-	-	250.0	-	-	-
Treatment Plant	5.00%	246.0	1,953.0	884.7	-	-	-	-	-	-	-	-	-	-	3,083.7	1,539.0	4,351.6	3,083.7
Treatment building	1.50%	-	500.0	150.0	-	-	-	-	-	-	-	-	-	-	650.0	467.0	-	-
Foundation & Tanks	1.50%	-	815.0	-	-	-	-	-	-	-	-	-	-	-	815.0	815.0	-	815.0
Treatment plant power supply	5.00%	-	40.0	10.0	-	-	-	-	-	-	-	-	-	-	50.0	50.0	-	40.0
Pumps	5.00%	-	217.0	-	-	-	-	-	-	-	-	-	-	-	217.0	217.0	-	217.0
UV and Chlorination	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200.0	-	-
Piping	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.0	-	-
Electrical & Controls	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75.0	-	-
HVAC & Plumbing	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60.0	-	-
895 reservoir	1.50%	-	-	7.0	-	677.6	-	-	-	-	-	-	-	-	684.6	600.0	1,473.5	623.0
940 reservoir	1.50%	-	-	568.8	-	-	-	-	-	-	-	-	-	-	568.8	1,000.0	-	568.8
Raw water supply line	0.00%	-	1,335.0	-	-	-	-	-	-	-	-	-	-	-	1,335.0	604.0	755.0	-
Finished Water Supply Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
940/895 zone	2.00%	-	-	802.3	-	-	-	-	-	-	-	-	-	-	802.3	1,550.0	3,988.4	62.0
Cooper Rd	2.00%	-	131.0	-	-	68.2	-	-	-	-	-	-	-	-	199.2	131.0	-	-
Swansea/Swansea Rch	2.00%	288.0	78.0	-	-	-	-	-	-	-	-	-	-	-	366.0	365.0	-	-
Calberley	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Windermere town	2.00%	-	-	-	-	935.0	-	-	-	-	-	-	-	-	935.0	-	1,333.2	850.0
Other	2.00%	-	-	-	1,326.9	1,035.2	2,086.1	-	-	342.0	342.0	342.0	342.0	342.0	6,158.2	-	-	2,634.3
Meters	-	-	-	-	78.8	53.8	256.9	-	-	29.4	30.0	30.7	31.4	32.1	543.1	-	-	-
Road works/paving	1.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24.0	-	-
General Plant	10.00%	-	-	-	100.0	-	-	-	-	50.0	-	-	-	-	150.0	100.0	50.0	-
Total	2.48%	534.0	5,319.0	2,530.8	2,305.7	3,081.8	2,343.0	-	-	421.4	372.0	372.7	373.4	374.1	18,027.9	8,750.8	13,021.4	9,801.8
Engineering & Contingencies	2.48%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,365.9	643.6	-
Overheads	2.48%	26.7	266.0	126.5	40.0	99.6	-	-	-	-	18.6	18.6	18.7	18.7	633.4	313.0	-	-
General	2.48%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Water	2.48%	560.7	5,585.0	2,657.3	2,345.7	3,181.4	2,343.0	-	-	421.4	390.6	391.3	392.1	392.8	18,661.3	10,429.7	13,665.0	9,801.8

**Parr Utilities Ltd.
Contributed Plant**

Mains	Description	R/W	Quantity	Equivalent Domestic	Mains	Parr	Revised
Pedley Phase 1/2	single family lots	R	36	36	287.0	287.0	287.0
Point Phase 1 (R1)	single family lots	R	53	53	919.0	919.0	919.0
Point Phase 1 (R1)	single family lots	R	53	53			-
The Resort Hotel	hotel rooms/condos	R	107	73			-
The Resort Hotel	hotel rooms/condos	R	107	73			-
Pedley Phase 3	single family lots	R	16	16	68.0	68.0	68.0
Pedley Phase 4	single family lots	R	15	15	47.0	47.0	47.0
Pedley Stoddart	single family lots	R	21	21	90.0	90.0	90.0
Salvidge	single family lots	R	16	16	111.0	111.0	111.0
Salvidge	single family lots	R	7	7	5.0	5.0	5.0
S Swansea existing	single family lots	R	5	5	34.2		34.2
S Swansea subdiv	single family lots	R	2	2	13.7		13.7
S Swansea subdiv	single family lots	R	8	8	54.7		54.7
Baltac	single family lots	R	15	15	102.6		102.6
Pedley Phase 4	multi-family	R	84	84	574.5		574.5
Swansea Rd	single family lots	R	10	10	68.4		68.4
Terravista	multi-family	W	127	127		-	-
Timber Ridge	single family lots	W	373	373		-	-
Lake Drive	single family lots	R	46	46	122.0	122.0	122.0
Calberley Beach	single family lots	R	35	35	239.4		239.4
Windermere town site	single family lots	W	587	587		-	-
Aspen Meadows	single family lots	R	31	31	212.0		212.0
Whitehouse	single family lots	R	20	20	136.8		136.8
Windermere Creek I	park homes/condos	R	80	80	547.2		547.2
Swansea Rd	single family lots	R	27	27	184.7		184.7
Akiskinook	multi-family	W	157	157	268.5		268.5
Pedley Phase 5	single family lots	R	31	31	212.0		212.0
Pedley Tegart	single family lots	R	22	22	150.5		150.5
Current Customers	single family lots	R	130	130		-	-
Future Customers	single family lots	R	50	50	342.0		342.0
Future Customers	single family lots	R	50	50	342.0		342.0
Future Customers	single family lots	R	50	50	342.0		342.0
Future Customers	single family lots	R	50	50	342.0		342.0
Future Customers	single family lots	R	50	50	342.0		342.0
Totals			2,061	1,985	6,158.2	1,649.0	6,158.2
Meters					120.0	120.0	464.3
Transmission Mains	Estimate					0	0

Attachment J
Operating, Maintenance &
Administrative Expenses (OM&A)

**Parr Utilities Ltd.
G&A Expenses Forecast**

Water

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Payroll		72.0	104.0	130.4	134.3	138.3	142.4	146.7	151.1	155.6	160.3	165.1	170.1
Acctg/Prof fees		26.1	10.0	10.3	10.6	10.9	11.3	11.6	11.9	12.3	12.7	13.0	13.4
Advertising & Promo		-	5.0	5.2	5.3	5.5	5.6	5.8	6.0	6.1	6.3	6.5	6.7
Office expenses		5.0	4.0	4.1	4.2	4.4	4.5	4.6	4.8	4.9	5.1	5.2	5.4
Bank charges		0.8	16.0	2.0	2.1	2.1	2.2	2.3	2.3	2.4	2.5	2.5	2.6
Consulting fees		40.0	10.0	-	-	-	-	-	-	-	-	-	-
Computer Expense		0.8	9.0	12.0	12.4	12.7	13.1	13.5	13.9	14.3	14.8	15.2	15.7
Property Tax		-	-	-	-	-	-	-	-	-	-	-	-
Rent													
Telecom		3.1	1.0	6.0	6.0	6.0	7.0	8.0	8.2	8.5	8.7	9.0	9.3
Travel		7.3	9.0	9.3	9.5	9.8	10.1	10.4	10.7	11.1	11.4	11.7	12.1
Meals & Ent		0.4	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3
Utilities		4.2	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3
Total Water G&A	-	159.7	170.0	181.3	186.5	191.9	198.5	205.2	211.4	217.7	224.3	231.0	238.0

**Parr Utilities Ltd.
Operations & Maintenance Expense Forecast
Consolidated Operations**

Water

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Payroll	0.0	88.0	127.0	147.3	151.7	156.3	160.9	165.8	170.7	175.9	181.1	186.6	192.2
Insurance & Licenses		13.3	32.0	20.0	20.6	21.2	21.9	22.5	23.2	23.9	24.6	25.3	26.1
Consulting		4.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Computer Expense		0.0	2.0	2.0	2.1	2.1	2.2	2.3	2.3	2.4	2.5	2.5	2.6
Rent													
Telecom		1.5	3.0	3.2	3.2	3.3	3.4	3.5	3.7	3.8	3.9	4.0	4.1
Travel		3.0	3.0	3.2	3.2	3.3	3.4	3.5	3.7	3.8	3.9	4.0	4.1
Meals & Ent		0.2	1.0	1.1	1.1	1.1	1.1	1.2	1.2	1.3	1.3	1.3	1.4
Repairs and Maint		4.6	4.0	10.0	10.3	10.6	10.9	11.3	11.6	11.9	12.3	12.7	13.0
Utilities													
Electricity		1.0	7.0	4.7	24.2	51.7	54.9	57.9	62.3	66.3	70.7	74.6	78.9
Propane		1.2	7.0	7.2	7.4	7.6	7.9	8.1	8.4	8.6	8.9	9.1	9.4
Chemicals		2.3	10.0	3.2	16.1	34.4	36.6	38.6	41.5	44.2	47.1	49.7	52.6
Total Water O&M	0.0	120.0	196.0	201.8	240.0	291.8	303.4	314.7	328.5	342.0	356.1	369.9	384.5

Attachment K

Prescribed Depreciation Rates

Schedule A
Standard Depreciation Rates for Private Water Utilities in British Columbia

NARUC		Prescribed Service Life SL	Prescribed Depreciation Rate DR = 100/SL	Estimated Costs EC	Annual Depreciation ⁺ AD = EC*DR/100	Actual Costs ⁺ AC	Annual Depreciation ⁺ AD = AC*DR/100
Acct No.	Account Title	[Years]	[% per Year]	[\$]	[\$]	[\$]	[\$]
A	Source of Supply Plant						
	304 Structures and Improvements						
304.1	Wood Frame	30	3.3%				
304.2	Steel	40	2.5%				
304.3	Cement Block	40	2.5%				
304.4	Reinforced Concrete or Brick	50	2.0%				
304.5	Miscellaneous	25	4.0%				
	305 Collecting and Impounding Reservoirs						
305.1	Wood Structures	35	2.9%				
305.2	Earth Fill Structures	60	1.7%				
305.3	Concrete Structures	75	1.3%				
	306 Lake, River and Other Intakes						
306.1	Wood Structures	35	2.9%				
306.2	Concrete Structures	60	1.7%				
	307 Wells and Springs	40	2.5%				
	309 Supply Mains						
309.1	PVC AWWA C900	75	1.3%				
309.2	HDPE AWWA C906	75	1.3%				
309.3	Ductile/Cast Iron	60	1.7%				
309.4	Steel, Cement Lined	50	2.0%				
309.5	Concrete	50	2.0%				
309.6	Sub-Marine Mains	20	5.0%				
339	Other Misc. Water Source Plant	25	4.0%				
B	Pumping Plant						
	304 Structures and Improvements						
304.1	Wood Frame	30	3.3%				
304.2	Steel	40	2.5%				
304.3	Cement Block	40	2.5%				
304.4	Reinforced Concrete or Brick	50	2.0%				
304.5	Miscellaneous	25	4.0%				
	310 Power Generation Equipment	25	4.0%				
	311 Pumping Equipment						
311.1	Electric Pumping Equipment	25	4.0%				
311.2	Diesel Pumping Equipment	25	4.0%				
311.3	Other Pumping Equipment	25	4.0%				
339	Other Miscellaneous Pumping Plant	25	4.0%				
C	Water Treatment Plant						
	304 Structures and Improvements						
304.1	Wood Frame	30	3.3%				
304.2	Steel	40	2.5%				
304.3	Cement Block	40	2.5%				
304.4	Reinforced Concrete or Brick	50	2.0%				
304.5	Miscellaneous	25	4.0%				
	320 Treatment Equipment						
320.1	Sand & Other Media Filtration Equipment	30	3.3%				
320.2	Membrane Filtration Equipment	15	6.7%				
320.3	Chlorination	15	6.7%				
320.4	Other Water Treatment Equipment	20	5.0%				
339	Other Miscellaneous Treatment Plant	25	4.0%				
D	Transm. and Distribution Plant						
	304 Structures and Improvements						
304.1	Wood Frame	30	3.3%				
304.2	Steel	40	2.5%				
304.3	Cement Block	40	2.5%				
304.4	Reinforced Concrete or Brick	50	2.0%				
304.5	Miscellaneous	25	4.0%				
	330 Distribution Reservoirs						
330.1	Concrete (underground)	60	1.7%				
330.2	Steel (above ground)	50	2.0%				

Continued on next page...

Schedule A
Standard Depreciation Rates for Private Water Utilities in British Columbia

NARUC		Prescribed Service Life	Prescribed Depreciation Rate	Estimated Costs	Annual Depreciation ¹	Actual Costs ²	Annual Depreciation ³
Acct No.	Account Title	SL	DR = 100/SL	EC	AD = EC*DR/100	AC	AD = AC*DR/100
D		[Years]	[% per Year]	[\$]	[\$]	[\$]	[\$]
	Transm. and Distr. Plant (con't)						
	331 Transmission and Distribution Mains						
	331.1 PVC AWWA C900	75	1.3%				
	331.2 HDPE AWWA C906	75	1.3%				
	331.3 Ductile/Cast Iron	60	1.7%				
	331.4 Steel, Cement Lined	50	2.0%				
	331.5 Concrete	50	2.0%				
	331.6 Sub-Marine Mains	20	5.0%				
	333 Services	50	2.0%				
	334 Meters and Meter Installations	25	4.0%				
	335 Hydrants / Standpipes	50	2.0%				
	339 Other Transm. and Distribution Plant	25	4.0%				
	E General Plant						
	304 Structures and Improvements						
	304.1 Wood Frame	30	3.3%				
	304.2 Steel	40	2.5%				
	304.3 Cement Block	40	2.5%				
	304.4 Reinforced Concrete or Brick	50	2.0%				
	304.5 Miscellaneous	25	4.0%				
	340 Office Furniture and Equipment	20	5.0%				
	349 Computer Equipment	5	20.0%				
	341 Transportation Equipment	7	14.3%				
	342 Stores Equipment	20	5.0%				
	343 Tools, Shop and Garage Equipment	15	6.7%				
	344 Laboratory Equipment	15	6.7%				
	345 Power Operated Equipment	15	6.7%				
	346 Communication Equipment	10	10.0%				
	346.1 Communication Equipment - SCADA	10	10.0%				
	346.2 Other Communication Equipment	10	10.0%				
	347 Miscellaneous Equipment	20	5.0%				
	F Other Tangible Plant						
	348 Other Tangible Plant ⁴	50	2.0%				
	G Intangible Plant						
	301 Organization	100	1.0%				
	302 Franchises and Consents	100	1.0%				
a	Subtotal Construction Cost [\$]			
b	Total Annual Depreciation [\$]			
c	Composite Depreciation Rate [%], = b / a * 100		...				
d	Engineering Cost ⁶			
e	Annual Engineering Cost Component [\$] = d * c / 100			
f	Contingency ⁷			...		n/a	
g	Annual Contingency Cost Component [\$] = f * c / 100				...		n/a
h	Total Annual Cost = Annual RRF⁸ Contribution			

Notes:

- Estimated Costs at CPCN application/pre-construction stage, in CAD \$, from CPCN Application Guide - Appendix 6 - Capital Cost Estimate Form
- Annual Depreciation based on Estimated Costs at CPCN stage.
- Actual Costs at post-construction approval stage, in CAD \$, from CPCN Application Guide - Appendix 6 - Capital Cost Estimate Form
- Annual Depreciation based on Actual Costs at post-construction approval stage; for establishing the final Water Tariff
- List any applicable items such as Valve Chambers, PRV Stations etc.
- Total engineering fees including survey cost, (see CPCN Application Guide - Appendix 6 - Capital Cost Estimate Form)
- Contingency allowance at CPCN application/pre-construction stage, (see CPCN Application Guide - Appendix 6 - Capital Cost Estimate Form)
- RRF - Replacement Reserve Fund, equals rows b + e + g

Attachment L
Acronyms & Definitions

ACRONYMS

AFUDC – Allowance for Funds Used During Construction, including return on equity (not allowed under IFRS/revised GAAP)

CIAC – Contributions In Aid of Construction; no cost capital

COSA – Cost Of Service Allocation; often in conjunction with and required for rate design

CPCN – Certificate of Convenience and Public Necessity

CRF – Construction Reserve Fund

CRRF – Capital Replacement Reserve Fund (see RRTF)

DCC – Deferred Capacity Charge

DCRF – Deferred Capacity Reserve Fund

DCTF – Deferred Capacity Trust Fund

EU – Evidentiary Update

GAAP – Generally Accepted Accounting Standards

IDC – Interest During Construction

IFRS – International Financial Reporting Standards

IHA – Interior Health Authority

ILOC – Irrevocable Letter of Credit

IR – Information Request(s)

OM&A – Operating, Maintenance and Administration & General

PHFFU – Plant Held For Future Use / Excess Capacity; either not used or in excess of requirements

Point – Point Developments and Copper Point Resort

RDDA/RDA – Revenue Deficiency Deferral Account

RDEK – Regional District of East Kootenay

RDRF – Revenue Deficit Reserve Fund (see RDTF)

RDTF – Revenue Deficit Trust Fund (see RDRF)

RFP – Request For Proposal

RFQ – Request For Quotation

RRA – Revenue Requirements Application

RRF – Replacement Reserve Fund (see CRRF, RRTF)

RRTF – Replacement Reserve Trust Fund (see CRRF, RRF, RRTF)

UCA – Utilities Commission Act

USA – Uniform System of Accounts

WA – Water Act

WUA – Water Utilities Act

Attachment M
OM&A Functional Accounts

**UNIFORM SYSTEM/CLASSIFICATION OF ACCOUNTS
FOR WATER UTILITIES/COMPANIES
Revenue & Expenses**

**Account
No.**

401 **401.6 - Operating (6XX)**
401.7 - Administration & General (7XX)
401.8 - Maintenance (8XX)
401.9 - Clearing (99X)

61X/81X **Water Supply**
602 Water Purchased for ReSale
610 Supervision, Engineering & Operations
810 Supervision & Engineering - Maintenance
811 Maintenance of Buildings & Fixtures
812 Maintenance of Reservoirs
813 Maintenance of Surface Source Facilities
814 Maintenance of Ground Source Facilities

62X/82X **Pumping Expenses**
620 Supervision, Engineering & Operations
624 Supplies & Expenses
820 Supervision & Engineering - Maintenance
821 Maintenance of Buildings & Fixtures
825 Maintenance of Pumping Equipment
828 Maintenance of Miscellaneous Equipment

63X/83X **Treatment Expenses**
630 Supervision, Engineering & Operations
830 Supervision & Engineering - Maintenance
831 Maintenance of Buildings & Fixtures
832 Maintenance of Equipment

66X/86X **Transmission & Distribution**
660 Supervision & Engineering
661 Storage Facilities
662.1 Transmission Mains
662.2 Distribution Mains
663 Meters
664 Inspecting Customer Installations
861 Maintenance of Buildings & Fixtures
862 Maintenance of Storage, Reservoirs, Tanks & Standpipes
863.1 Maintenance of Transmission Mains
863.2 Maintenance of Distribution Mains
864 Maintenance of Fountains & Troughs
865 Maintenance of Services
866 Maintenance of Meters
868 Maintenance of Hydrants

**UNIFORM SYSTEM/CLASSIFICATION OF ACCOUNTS
FOR WATER UTILITIES/COMPANIES
Revenue & Expenses**

Account No.	
68X/88X	General
684/884	Communications
685	System Operation & Engineering
688	Other
689	Transferred (Cr.)
71X	Customer Accounting
710	Supervision
711	Customer Contracts & Orders
712	Meter Reading & Bill Delivery
713	Customer Billing & Accounting
714	Credit & Collection
718	Uncollectible Accounts
719	Other
72X/9XX	Administration & General
721	Administration
911	Regulatory Expenses
915	Donations - Charitable
	Clearing Accounts
990	Developer Donations of Time & Resources (Cr.)
991	Salaries & Wages (Labour)
995	Vehicle/Transportation Equipment Expenses
996	Heavy Work Equipment Expenses
997	Warehouse Expenses
998	Shop Expenses
999	Laboratory Expenses
408	Property & Business Taxes
	Interest Charges
427.1	Interest on Short Term Debt
427.2	Interest on Customer Deposits
427.5	Interest on Long Term Debt
428	Amortization of Debt Discount & Expense
429	Amortization of Premium on Debt
430	Interest on Debt to Affiliated Companies
431	Other Interest
403	Depreciation
403.1	Amortization of CIAC (Credit)
404	Amortization
404.2	Amortization of Property Losses
404.3	Amortization of Other Utility Plant
404.4	Amortization of Regulatory Assets
404.5	Amortization of Regulatory Liabilities
406	Amortization - Acquisition Adjustments

Note: OM&A accounts are functions or activities. Administration & General may be expanded to provide further functionalization. Expense types are required for OM&A, job orders and work orders. eg. 72101 = Administration & General - Salaries & Wages - Regular