

Utilities Kingston Report to Council Report Number 25-051

То:	Mayor and Members of Council
From:	David Fell, President & CEO, Utilities Kingston
Resource Staff:	Sherry Gibson, Manager, Revenue and Regulatory Affairs,
	Utilities Kingston
Date of Meeting:	January 20, 2025
Subject:	Approval of Rate Changes for Miscellaneous Charges

Executive Summary:

This report specifically deals with the proposed rate changes for the 2025 Miscellaneous Charges for water, sewer, and gas utilities, including the appropriate changes to the Miscellaneous Charges and Appliance Rental Rates By-Law.

For the appliance rental rates, a competitive business, Utilities Kingston has been provided the authorization to act, by delegated authority, to amend the appliance rental rates to competitive market rates. The residential rates in effect January 1, 2025, are included, for informational purposes, as part of Exhibit A of this report. Utilities Kingston conducts a market rate competitive assessment of appliance rental rates annually.

Recommendation:

That Council approve:

- 1. The proposed Miscellaneous Charges rates adjustments, effective March 1, 2025, and additionally the proposed rate adjustments for bulk water usage charge and wastewater disposal charge, both non-industrial and industrial, for January 1, 2026, as detailed in this report.
- 2. By-Law Number 2025-XX being a By-Law to Amend By-Law Number 2012-22 "A By-Law to Impose Miscellaneous Charges and Appliance Rental Rates (Utilities Kingston)" to reflect the approved rates (Exhibit A), be presented for all three readings.

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Authorizing Signatures:

ORIGINAL SIGNED BY PRESIDENT

& CEO, UTILITIES KINGSTON

David Fell, President & CEO, Utilities Kingston

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Growth & Development Services	Not required
Jennifer Campbell, Commissioner, Community Services	Not required
Neil Carbone, Commissioner, Corporate Services	Not required
David Fell, President & CEO, Utilities Kingston	Not required
Brad Joyce, Commissioner, Infrastructure, Transportation & Emergency Services	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	Not required

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Options/Discussion:

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

a) Miscellaneous Service Charges

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

Utilities Kingston has reviewed these charges for reasonability and is providing recommended updates.

It is proposed that the rate changes to Miscellaneous Service Charges become effective March 1, 2025. And additionally, an adjustment to the bulk water usage charge, and the wastewater disposal charge, both non-industrial and industrial is proposed for January 1, 2026.

Updates to existing charges

Utilities Kingston proposes an update to several miscellaneous charge types, as detailed in the following chart. The updated Miscellaneous Charges schedule is attached in Appendix "A" of Exhibit A.

By-law schedule number	Miscellaneous Service Charge Type	Current Charge	Proposed Charge
4.	 Shut-Off / Turn-On Service Applicable when a customer requests the utility service to be shut-off or turned-on for the customer's convenience. If the "shut-off" and "turn- on" occurs on the same day and within Regular and Extended Hours, this will be considered one trip. An emergency shut-off will not attract a charge, though the turn-on will. a. Regular Hours and Extended Hours with 24- hour notice b. Regular Hours and Extended Hours with less than 24-hour notice 	 \$90/trip \$110/trip 	 \$95/trip \$115/trip

By-law schedule number	Miscellaneous Service Charge Type	Current Charge	Proposed Charge
	c . After Hours	 \$205/trip for the initial call up to 2 hours, \$130 per hour for every additional hour over 2 hours 	 \$215/trip for the initial call up to 2 hours, \$140 per hour for every additional hour over 2 hours
7.	Dispute Meter Charge Applicable when customer questions the accuracy of a meter and the meter is removed for a dispute test.	Charges only apply if the customer's meter is proven to be accurate.	Charges only apply if the customer's meter is proven to be accurate
	 a. Water Meters i. 1" Water Meter and Smaller ii. 1¼" – 2" Water Meter iii. 3" and Over Water Meter 	\$225\$350Actual Costs	 \$235 \$350 Actual Costs
	b. Gas Meters i. Residential ii. Commercial	• \$150 • \$210	\$150\$300

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By-law schedule number	Miscellaneous Service Charge Type	Current Charge	Proposed Charge
8.	A request to locate public utility services underground.		
	a . For Utilities Kingston managed infrastructure	 No charge (first 2 times) 	 No charge (first 2 times)
		 \$90/hour/person (3rd and subsequent time) 	 \$105/hour/person (3rd and subsequent time)
	b. Other situations may be subject to the hourly rate, including excessive remarks where notification has been given, engineering preconstruction work:		
	 Regular Hours (only available when all locates bookings are within 5 days) 	• \$90/hour/person	• \$105/hour/person
	ii. Extended hours and After hours	 \$255 for the initial call, additional, \$160 for each hour over 2 hours 	 \$260 for the initial call, additional \$160 for each hour over 2 hours

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By-law schedule number	Miscellaneous Service Charge Type	Current Charge	Proposed Charge
15.	Bulk Water Usage Charge Applicable when customer takes water on a bulk basis. (Includes commercial water hauling operations.) Effective March 1, 2025 – December 31, 2025 a. Commodity charge Effective January 1, 2026 a. Commodity charge	• \$3.73/m ³	 \$3.73/m³ \$3.91/m³
19.	Wastewater Disposal (Septage) Charge Applicable to septage haulers that dump their loads into our municipal wastewater system. Tank load charges based on 90% of rated capacity of tank. Effective March 1, 2025 – December 31, 2025		
	 a. Non-Industrial Waste b. Industrial Waste Effective January 1, 2026 a. Non-Industrial Waste 	 \$20.00/m³ (non-industrial) \$26.07/m³ (industrial waste) 	 \$21.56/m³ (non-industrial) \$28.10/m3 (industrial waste) 23.24/m³ (non-industrial)
	b . Waste		 \$30.29/m³ (industrial waste)

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Bulk Water Usage Charge

The 2023 cost allocation study and rate report determined the cost to serve bulk water haulers was \$3.63 per m³, with the approved rate set at \$3.73 per m³ for 2024. According to the 2024 cost allocation study, this current rate covers 87% of the cost to serve. For 2025, it is proposed that the current 2024 rate remain unchanged for 2025 to provide rate stability for bulk water haulers. However, for 2026, the rate is proposed to increase by 4.8%, aligning with adjustments applied to other water rate payers.

Wastewater Disposal (Septage) Charge

Outlined within the October 2023 Council Report Number 23-227, based on the results of the 2023 cost allocation review for wastewater disposal, it was anticipated that another increase would be required for implementation in 2025 to move wastewater disposal services towards full cost recovery to deliver these services. The updated 2024 water and wastewater cost allocation study report confirmed that these rates are still well below full cost recovery.

To improve cost recovery for wastewater disposal (septage) services, an 18% increase to current rates would be required to move non-industrial and industrial wastewater disposal rates to 80% of full cost recovery. However, recognizing the impact of significant rate increases, it is proposed that these wastewater disposal rates continue with a gradual increase reaching 80% cost recovery over an eight year period (2023-2030). For 2025, it is proposed the current rates would increase by 4.8%, aligning with other wastewater rate adjustments, plus an additional 3%, representing one-sixth (the remaining period of the 8-year phase in) of the 18% movement toward cost recovery. Similarly, in 2026, rates would again increase by 4.8% plus an additional 3%, reflecting another one-sixth portion. To summarize, the effective increases would be 7.8% for 2025 and an additional 7.8% for 2026. This phased approach balances the need for financial sustainability with customer affordability, ensuring a measured and equitable transition to improved cost recovery. This approach and rate increase is similar to the approach taken in prior years which rebalanced commercial and residential rate classes.

With respect to the other above-noted rate changes, these charges are proposed to increase to more accurately reflect current/actual costs incurred to provide the service.

b) Appliance Rental Rates

The Appliance Rental Business implemented in 1996 operates as a competitive market driven business. The rental rates have been reviewed and updated as required. The rental rates are geared to market competitiveness. In 2023 Utilities Kingston was provided authorization to act, by delegated authority, to amend the Appliance rental rates to competitive market rates provided customers are given a minimum of 30 days' notice of the change. This authorization is referenced in By-Law Number 2016-189 A By-Law to

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Consolidate the Delegation of Powers and Duties as amended. *Enabling By-Law or Council Motion/ Resolution:* March 21, 2023. City Council Meeting Number 11-2023, Report 34, Clause 1D.

Appliance rental rates increased January 1, 2025, as necessary, and the minimum 30 days' notice to customers was provided.

Exhibit A of this report provides the by-law amendment Appendix "B" Appliance Rental Business Hot Water Heater Rental Rates that came into effect January 1, 2025.

Existing Policy/By-Law

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

Notice Provisions

None.

Financial Considerations

As discussed in the report.

Contacts:

David Fell, President and CEO, Utilities Kingston, 613-546-1181, X2319 Randy Murphy, Chief Financial Officer, Utilities Kingston, 613-546-1181, X2317 Sherry Gibson, Manager, Revenue & Regulatory Affairs, Utilities Kingston, 613-546-1181 X2383 Heather Roberts, Director, Water and Wastewater, Utilities Kingston, 613-546-1181, X2400 Kevin McCauley, Director, Telecommunications & Customer Care, Utilities Kingston, 613-546-1181, X2247

Other City of Kingston Staff Consulted:

None.

Exhibits Attached:

Exhibit A - Proposed By-Law Number 2025-XX – A By-Law to Amend By-Law Number 2012-22 "A By-Law to Impose Miscellaneous Charges and Appliance Rental Rates (Utilities Kingston)", as amended, and the proposed Appendix "A" to be effective March 1, 2025 and additionally the proposed rate adjustments for bulk water usage charge and wastewater disposal charge effective January 1, 2026 as detailed in the report, and Appendix "B" that came into effect January 1, 2025.

BY- LAW NUMBER 2025-XX

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

PASSED: Meeting date, XX 2025

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

1. By-Law Number 2012-22 of the Corporation of the City of Kingston entitled, "A By-Law to Impose Miscellaneous Charges and Appliance Rental Rates (Utilities Kingston)", as amended, and Appendix "A" shall come into force and take effect on March 1, 2025. Appendix "B" outlines residential Appliance Rental Rates in effect January 1, 2025.

GIVEN ALL THREE READINGS AND PASSED Meeting date, 2025

CITY CLERK JANET JAYNES MAYOR BRYAN PATERSON Appendix "A"

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Schedule "A"

Effective March 01, 2025, unless otherwise indicated within Schedule "A".

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

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

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

After Hours: All other times and all holidays

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

	Miscellaneous Service Charge Type	<u>Charge</u>
4.	Shut-Off / Turn-On Service Applicable when a customer requests the utility service to be shut-off or turned-on for the customer's convenience. If the "shut-off" and "turn- on" occurs on the same day and within Regular and Extended Hours, this will be considered one trip. An emergency shut-off will not attract a charge, though the turn-on will.	
a.	Regular Hours and Extended Hours with 24-hour notice	• \$95/trip
b.	Regular Hours and Extended Hours with less than 24-hour notice	• \$115/trip
c.	After Hours	• \$215/trip for the initial call up to 2 hours, \$140 per hour for every additional hour over 2 hours
5.	Reconnection Charge – (Due to Non-Payment of Account) Applicable when a trip is made to reconnect a service that has been disconnected for non-payment of an account.	
а.	Regular Hours	 \$65 + charge for any gas appliance light-ups @\$15/appliance
b.	After Hours	 \$185 + charge for any gas appliance light-ups @\$15/appliance

	Miscellaneous Service Charge Type	<u>Charge</u>
6.	To Repair or Replace Metering Equipment Applicable when meter is required to be repaired or replaced as a result of freezing, abuse, lack of care, damage, etc., where it is customer's responsibility.	
a.	Regular Hours and Extended Hours	 \$190 + material cost of meter repair/replacement
b.	After Hours	 \$385 + material cost of meter repair/replacement
c.	Repeated Occurrences: All Hours	Actual costs
7.	Dispute Meter Charge Applicable when customer questions the accuracy of a meter and the meter is removed for a dispute test.	Charges only apply if the customer's meter is proven to be accurate.
a.	Water Meters	
	i. 1" Water Meter and Smaller	• \$235
	ii. 1¼" – 2" Water Meter	• \$350
	iii. 3" and Over Water Meter	Actual costs
b.	Gas Meters	
	i. Residential	• \$150
	ii. Commercial	• \$300

	Miscellaneous Service Charge Type	<u>Charge</u>
8.	Locates A request to locate public utility services underground.	
a.	For Utilities Kingston managed infrastructure	 No charge (first 2 times) \$105/hour/person (3rd and subsequent time)
b.	Other situations may be subject to the hourly rate, including excessive remarks where notification has been given, engineering preconstruction work:	
	 Regular Hours (only available when all locates bookings are within 5 days) 	• \$105/hour/person
	ii. Extended hours and After hours	 \$260 for the initial call, additional \$160 for each hour over 2 hours
9.	Missed Appointment Applicable when an appointment has been made and the customer misses the appointment; (subject to waiver due to special circumstances).	• \$45/person
10.	Additional Meter Read Applicable when a customer requests their meter to be read, or a special trip is required to attempt to get a read because of problems associated with access to the meter.	• \$90/meter
11.	Service Pipe Leak Repair Applicable when a customer requests a leak to be repaired on a service pipe between street line and building (i.e. up to meter).	
a.	Water Service Pipe Repairs	• Actual costs + 20%
b.	Gas Service Pipe Repairs	No charge

	Miscellaneous Service Charge Type	<u>Cł</u>	harge
12.	Requests for Billing Information Applicable when customer requests reprints of bills, supplemental billing or metering information, arrears verification.	•	Actual costs (\$45/hour)
13.	Other Work at Customer's Request Applicable when a customer requests other work to be performed by Utilities Kingston.		
a.	For work which is not normally done by private contractors	•	Actual costs
b.	For work which may be done by private contractors	•	Actual costs + 20%
14.	To Thaw Water Service Pipe Applicable when a customer requests Utilities Kingston to attempt to thaw water line from the building.		
a.	If the water service is frozen within the wall of the house, or between the house and the property line, it is the responsibility of the customer to have the water service thawed.	•	Actual costs + 20%
b.	If the water service is frozen between the street line and the watermain, it is the responsibility of Utilities Kingston.	•	No charge
15. a.	Bulk Water Usage Charge Applicable when customer takes water on a bulk basis. (Includes commercial water hauling operations.) Effective March 1, 2025 – December 31, 2025		
b.	Commodity charge Effective January 1, 2026	•	\$3.73/m ³
	Commodity charge	•	3.91/m ³

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

	Miscellaneous Service Charge Type	<u>Charge</u>
19. a. b. a. b.	Wastewater Disposal (Septage) Charge Applicable to septage haulers that dump their loads into our municipal wastewater system. Tank load charges based on 90% of rated capacity of tank. Effective March 1, 2025 – December 31, 2025 Non-Industrial Waste Industrial Waste Effective January 1, 2026 Non-Industrial Waste	 \$21.56/m³ (non-industrial) \$28.10/m³ (industrial waste) 23.24/m³ (non-industrial) \$30.29/m³
20.	Gas Code Equipment/Appliance Installation Inspection	(industrial waste)
а.	Single Family Dwelling	
	Applicable when a customer/contractor requests a gas inspection to be conducted of the installation of any new natural gas equipment/appliances	
	i. New gas service (i.e., part of inspection of a new gas service installation to building)	
	 i) inspection if requested to be done during: 1) Regular hours with 24-hour notice 2) Regular hours with Less Than 24 -hour notice, and Extended Hours 3) After Hours ii) Follow-up inspections due to code violations if 	No Charge \$200 \$300
	 requested to be done during: 1) Regular hours with 24-hour notice 2) Regular hours with Less Than 24-hour notice, and Extended Hours 2) After Hours 	\$130 \$200
	3) After Hours ii. Existing Gas Service	\$300
	 i) Regular hours with 24-hour notice ii) Regular hours with less than 24-hours notice iii) After hours 	\$130 \$200 \$300
b.	All Multi-storey and/or Mixed-Use Structures; new or renovated, commercial or industrial, requiring natural gas inspections by Utilities Kingston will be subject to the following:	
	 i) The first and second re-inspection. ii) 3rd inspection 	No Charge \$250
	iii) For the fourth and every subsequent inspection	\$1000 per inspection

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

	Miscellaneous Service Charge Type	•	<u>Charge</u>
27.	Sampling & Analytical Fees Applicable where sampling is required to determine the content and strength of discharged sewage.	•	\$200 per sample
28.	Temporary Remedial Groundwater Treatment Discharge Fee Applicable where temporary discharge of treated groundwater is in compliance with the sewer-use by-law.	•	\$500 plus the applicable volumetric wastewater rate charge per m ³ for all volume as per the water and wastewater rates by-law rate schedule.
29.	Subdivision Inspections Applicable when a Developer submits requests for subdivision inspections		
a.	Preliminary Certificate of Approval of Underground Services	•	First Inspection: No Charge Additional Inspections: \$250 each
b.	Preliminary Certificate of Approval of the Works	•	First Inspection: No Charge Additional Inspections: \$250 each
C.	Final Certificate of Approval of the Works		First Inspection: No Charge Additional Inspections: \$250 each
30.	Lost/Damaged Water Hauler Card or Septage Card To recover partial costs incurred to replace a lost/damaged water hauler or septage card (labour, equipment, and administrative costs).	•	\$100 per replacement card
31.	Drinking Water Works Permit (DWWP) Submission – New Watermains Authorized under DWWP 018-202	•	\$1,200
32.	Consolidated Linear Infrastructure – Environmental Compliance Approval (CLI-ECA) Submission – New Gravity Sewers and Forcemains Authorized under ECA 018-W601	•	\$1,500

	Miscellaneous Service Charge Type	•	<u>Charge</u>
33.	Consolidated Linear Infrastructure – Environmental Compliance Approval (CLI-ECA) Submission – New Pump Stations Authorized under ECA 018-W601	•	\$5,000

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Schedule "B"

Utilities Kingston Appliance Rental Business

Water Heater Rental Rates

Effective January 1, 2025

Appliance Rental Business Residential Water Heaters	
Natural Gas Traditional Units:	<u>Monthly Rate</u>
40 gal Standard	\$22.60
50 gal Standard	\$24.03
60 gal Standard	\$24.26
50 gal Direct Vent	\$34.23
40 gal Power Vent	\$24.14
50 gal Power Vent	\$34.64
50-65 Power Vent	\$38.80
60 gal Power Vent	\$36.60
50/80 gal Power Vent	\$53.90
Electric Units:	
40 imp gal 60 imp gal	\$17.41 \$19.44

Note: All Appliance rental rates, including non-residential and other appliance rental rates are charged at appropriate competitive market rates. Utilities Kingston has authorization to amend the Appliance rental rates to competitive market rates.

Appliance rental rates may be adjusted by Utilities Kingston from time to time without amending the rates by-law. The Appliance rental rates shown above are for informational purposes only and are the rates in effect on the date shown above.