
Office of Utilities Regulation

Can-Cara Development Limited – Meadows of Irwin, St. James

Water and Sewerage Rate Determination

Determination Notice



OFFICE OF UTILITIES REGULATION

August 9, 2012

DOCUMENT TITLE AND APPROVAL PAGE

DOCUMENT NUMBER: WAS2012001_DET001

DOCUMENT TITLE: Can-Cara Development Limited (Can-Cara) Rate Determination

1. PURPOSE OF DOCUMENT

This document outlines the Office's decision on the rates to be charged by Can-Cara for water and sewerage services in the Meadows of Irwin service area.

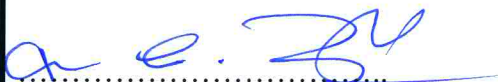
RECORD OF REVISIONS

Revision Number	Description	Date
-	-	-

APPROVAL

This document is approved by the Office of Utilities Regulation and the decisions therein become effective on August 13th, 2012

On behalf of the Office:



Zia Mian
Director General
August 9, 2012
Date

Introduction

Can-Cara Development Limited (Can-Cara) is a private company that was issued with sewage and water licenses in 2004 and 2005 respectively to provide water and sewerage services to Western Spanish Town in St. Catherine. On March 29, 2012 the company was issued two licences for the treatment and distribution as well as to collect and treat sewage in accordance with the National Environment and Planning Agency and the World Health Organization (WHO) standards for the Meadows of Irwin, Irwin St. James. Can-Cara proposed that it will supply water and sewerage services to approximately eight hundred (800) customers.

By letter dated April 25, 2012 Can-Cara advised the Office of Utilities Regulation (the Office/OUR) of the rates it proposes to charge the residents of the service area. On May 1, 2012 the OUR, subject to Can-Cara's formal application, orally gave conditional approval for the use of the proposed rates set out in Table 1 below. Can-Cara by way of letter dated July 16, 2012 has now applied for formal approval.

Can-Cara Development Limited Proposal

Can-Cara provided the Office with the following proposed rate schedule:

Table1: Can-Cara Proposed Rates

Details	Can-Cara Proposed Rates
Residential Customer	
Service charge 5/8inch/15m	\$395.95
For up to 14,000 litres	\$49.63 per 1,000 litres
For the next 13,000 litres	\$87.51 per 1,000 litres
For the next 14,000 litres	\$94.50 per 1,000 litres
For the next 14,000 litres	\$120.61 per 1,000 litres
For the next 36,000 litres	\$150.20 per 1,000 litres
Over 91,000 litres	\$193.35 per 1,000 litres
Sewerage charge: 100% of water charges	

Small Private Providers Water Policy

The Office, has adopted a policy of non-objection with respect to applications for rate increases by small private providers. Specifically, the policy provides that where a small private provider applies for rate increases and the requested increases are below the equivalent rates charged by the National Water Commission (NWC), the Office will adopt a policy of non-objection. In the instances where the proposed rates are higher than those being charged by NWC, the Office will

insist on the provision of cost information in support of the application and a rate review will be conducted.

Office Evaluation of Application

Further to Can-Cara's application dated, for an increase in water rates for residential customers of Meadows of Irwin, the Office has examined the rates proposed and found them to be lower than that of the NWC for equivalent services and rate categories.

Table 2 shows the comparison between the two rates.

Table 2: Comparison of NWC and Can-Cara Rates

	NWC Rate Residential Customers	Can-Cara Rate Residential Customers
*Service Charge 5/8inch /15mm	\$535.76	\$395.95
For up to 14,000 litres	\$67.16	\$49.63
For the next 13,000 litres	\$118.42	\$87.51
For the next 14,000 litres	\$127.87	\$94.50
For the next 14,000 litres	\$163.21	\$120.61
For the next 36,000 litres	\$203.23	\$150.20
Over 91,000 litres	\$261.62	\$193.35
sewage is 100% of water rate		

Determination:

- (1) Consistent with the OUR's small private providers water policy, where rates are below or equal to those being charged by NWC for equivalent services and rate categories, the Office has no objection to the proposed rates by Can-Cara for residential customers of Meadows of Irwin, St. James.

- (2) The Office determines that subject to providing appropriate notice, the non-objection is effective as of **August 13, 2012** and the rates to which it applies shall be in effect for a period of at least fifteen (15) months. Any application for adjustments to these rates should be filed with the Office sixty (60) days prior to the date on which it is intended for new rates to become effective.
- (3) Can-Cara shall adhere to the Revised Quality of Service Standards and Performance Criteria outlined in Tables 3 & 4 set forth in the Annex 1 attached hereto, which shall replace Sections A- C and F respectively of Schedule 2 of Can-Cara's Licence issued March 29, 2012 along with all the other standards in said Licence and service contracts.

Annex 1

Revised Quality of Service Standards and Performance Criteria

Table 3: Overall Standards

Category	Performance Measure
Water Quality	<ul style="list-style-type: none"> - at least 95% of water samples must be collected from water production sources for testing - At least 95% of water samples must be negative with coliform bacteria - The level of residual chlorine should be between 0.5 and 5.0 mg/l and present in at least 95% of samples - Any other standards imposed by the Ministry of Health from time to time
Water Pressure	The Licensee shall ensure that the pressure of water to customers is in the range 20 – 60 psi and take all reasonable steps to ensure that customers receive an adequate supply of water at all times.
Water Supply	Required notification time should be given for at least 90% of planned interruptions. At least 90% of emergency lock offs should be restored within the required time.
Environmental	The Licensee shall conform to all and any standards that may be established by NEPA/NRCA. The Licensee shall provide the Office with copies of any licenses, standards, special permits issued by NEPA/NRCA from time to time which shall form part of the Licence.
Correction of Sewerage Problems	Clear 90% of all reported blocked mains within four (4) hours of the report being received.
Sewerage/Odour	The Licensee shall maintain the plant in such a manner as to minimize complaints of odour. There shall be no more than five (5) complaints per 100 customers regarding odor in any month.
Sewerage Effluent Quality	The Licensee must ensure that sewage effluent is within the standards specified by NEPA.

Table 4: Guaranteed Standards

Code	Guaranteed Standard	Mode of Compensation
GS1 – Connection of New Customers	Licensee is required to connect all new customers where water supply is available at the property boundary, within three (3) working days after signing the contract for connection	Automatic
GS1(b) - Meter Connection	Licensee must within ten (10) working days of connection install a meter on customer's premises.	Claim
GS2 – Issue of First Bill	Licensee must issue (print and mail/deliver) a bill to a customer based on a meter reading within thirty (30) working days after connection.	Claim
GS3(a) – Response to complaints - Acknowledgements	Licensee must, within three (3) working days, acknowledge written customer complaints.	Claim
GS3(b) – Response to Complaints - Investigations	Licensee must, within fifteen (15) working days of receipt of complaint, complete investigation and inform the customer of the results.	Claim
GS3(c) – Investigations involving 3rd party	Licensee must, within thirty (30) working days complete investigation involving claims that a third party is responsible for the alleged breach.	Claim
GS4 (a)– Wrongful Disconnection	Licensee shall not disconnect the service of an account which is either not in arrears or is the subject of an investigation internally or by the OUR.	Automatic
GS4 (b) – Reconnection after Wrongful Disconnection	Where the Licensee has wrongfully disconnected a service account it shall be reconnected within twelve (12) hours.	Automatic
GS5 – Repair or Replacement of Faulty Meter	Licensee must, within ten (10) working days after detection, repair or replace any malfunctioning meter.	Automatic
GS6 – Meter Readings	Licensee must render a bill based on a meter reading each month.	Automatic
GS7 – Reconnection after Payment of Overdue Amount	Licensee must, within twenty-four (24) hours of receipt of all applicable payments (reconnection fee etc.) reconnect customers disconnected for debt.	Automatic
GS8 – Payment of Compensation	Licensee must credit customer's account within one (1) billing period after a breach of any of the prescribed Guaranteed Standards. For the avoidance of doubt, if the Licensee does not compensate the customer within the specified time, this results in another breach.	Claim

Compensation for breach of a Guaranteed Standard is equivalent to four (4) times the applicable service charge.