



# Canaan Systems Inc.

An Alabama Management Entity

---

December 19, 2011

Mr. Walter Thomas, Secretary  
Alabama Public Service Commission  
100 North Union Street, Suite 850  
Montgomery, AL 36104



Re: Tariff Submittal U-5047

Dear Mr. Thomas,

Canaan Systems Inc. has filed a revision to our proposed Tariff electronically and are enclosing herewith an original and one copy. We ask that the Alabama Public Service Commission review and approved our proposed Tariff during the January, 2012 Commission meeting.

The revisions were to correct the pagination and the issue and effective dates that were incorrect on some pages. The software we employ typically does this automatically but for some reason missed some of the pages. No other corrections or modifications were performed.

We thank you for your consideration and please contact us if you have any questions.

Sincerely,

Roger D. Rader, P.E.  
President

CANAAN SYSTEMS, INC.

TARIFF

FOR

SEWER SERVICES IN

THE STATE OF ALABAMA

## INDEX TO TARIFF

### SEWER SERVICE RATES

<u>Residential.....</u>	<u>3</u>
<u>Recreational Vehicle Lot.....</u>	<u>5</u>
<u>Commercial.....</u>	<u>7</u>
Local and State Revenue-Based Taxes and Fee.....	10
<u>Definition of Terms.....</u>	<u>14</u>
INDEX OF RULES AND REGULATIONS.....	16
I. Required of Customers.....	17
II. Obligations of the Company.....	21
III. Requirements after service has been furnished.....	21

# SEWER SERVICE RATES

---

## Residential

(Class of Service)

### AVAILABILITY:

Sewer service is available to each single family residence located within the service area-Certified by either the Alabama Public Service Commission or the Alabama Department of Public Health (prior to May 22, 2009).

### RATE:

Residential Rate.....\$ 51.89 per month

**This page intentionally left blank**

## Recreational Vehicle Lot

(Class of Service)

### AVAILABILITY:

Sewer service is available to each single family residence located within the service area-Certified by either the Alabama Public Service Commission.

### RATE:

Recreational Rate .....\$ 38.26 per month

**This page intentionally left blank**

## Commercial

**AVAILABILITY:** Sewer service is available to each commercial installation located within the service area permitted by either the Alabama Department of Public Health or by the Alabama Department of Environmental Management. Commercial rates will be as follows:

---


$$\text{Rate} = \text{Testing} \times (\text{Expected individual Usage Volume} / \text{Total System Capacity}) + (\text{O \& M Rate} \times 1.40) + \text{Ancillary Costs}$$


---

- Testing:** Cost of Quarterly (or more frequent if required) performance testing
- Individual Usage Volume:** \*Expected usage volume for an individual account (annual audits of water usage will be conducted to verify volume and make adjustments if required)
- Total System Capacity Volume:** Design volume for the total system
- O & M Rate:** Graduated O & M rate based on expected usage and scaled according to the Residential Operations and Maintenance costs (less testing) x Commercial rider.
- Ancillary Costs:** Pass-through charge for requested/required items such as weekly or biweekly landscape maintenance

\*It is critical for the financial viability of the Utility that the Utility be able to monitor expected usage volume versus actual usage. Surcharges will apply when accounts exceed their expected usage volume. For any month that the water meter reading for an account exceeds the expected usage volume the following surcharge will apply:

Usage Volume (In excess of Expected Volume)	Surcharge
1 – 1,000 gallons	\$250
1,001 – 2,000 gallons	\$350
Greater than 2,001 gallons above Expected Volume	\$500 per 1,000 gallons

If the actual usage volume (based on water meter reading) exceeds the expected usage volume for 3 consecutive months the expected usage rate will be adjusted to reflect the actual usage volume. In addition, any required capital improvements to the collection, treatment and disposal system will be charged to the individual account(s) whose excess

usage necessitates the improvements.

The following chart presents the graduated scale for daily commercial volume usage:

<b><u>Volume</u></b>	<b><u>O &amp; M Fee</u></b>
0 – 300 gallons	\$68.68
301 – 600 gallons	\$117.36
601 – 900 gallons	\$176.04
901 – 1,200 gallons	\$234.72
1,201 – 1,500 gallons	\$293.40
1,501 – 1,800 gallons	\$352.08
1,801 – 2,100 gallons	\$410.76
2,101 – 2,400 gallons	\$528.12
2,401 – 2,700 gallons	\$586.80
2,701 – 3,000 gallons	\$645.48
3,001 – 3,300 gallons	\$704.16
3,301 – 3,600 gallons	\$762.84
3,601 – 3,900 gallons	\$821.52

**COMMERCIAL CUSTOMERS**

**Woodruff Industrial Park .....\$ 107.89 per month plus any additional  
local or state revenue-based taxes or fees.**

**Lloyd's By the Pier Restaurant.....\$ 87.65 per month plus any additional  
local or state revenue-based taxes or fees.**

### **Local and State Revenue-Based Taxes and Fees**

Cherokee County – only applies to premises within their jurisdiction – 4%

City of Trussville – only applies to premises within their jurisdiction – 3%

City of Ohatchee – only applies to premises within their jurisdiction – 10%

Permitting Authority(ADEM or ADPH) – applies to all Customers – 4%

Alabama Dept of Revenue – applies to all Customers – 2.2%

This page intentionally left blank

This page intentionally left blank

This page intentionally left blank

# RULES AND REGULATIONS

## Definition of Terms

Availability-	Sewer service is available to each single family residence located within the service area-Certified by either the Alabama Public Service Commission or the Alabama Department of Public Health (prior to May 22, 2009).
Company -	The provider of sewer services. The Company may also be referred to herein as the Utility and Entity providing sewer services.
Customer -	Any person, association, corporation or governmental agency connected or entitled to be connected with sewer service by the Company in accordance with the Tariff.
Month-	One-twelfth of a year.
Sanitary Lateral-	The sewer pipe that connects Customer's plumbing system from inside the Premises and terminates at the Connection Point at the Customer's property boundary.
Connection Point-	The location where the Customer's Sanitary Lateral connects to the Company's Sewer System.
Connection Fee-	A charge for connection onto the sewer system as applicable.
Reconnection Fee-	A fee for reconnection of sewer service
Interceptor Tank-	The tank with or without a pump, located on the Customer's premises and operated and maintained by the Company after installation that meets the standards of Company and that collects sewage from the Sanitary Lateral and discharges the sewage through the Sewer (Collection) System to the Treatment Facility.-
Sewer System-	A system of connected underground pipes, pumps and appurtenances that collects, transports and treats

	Customer's sewage.
Sewage-	Wastewater discharged by the Customer to the Sewer System.
Closing-	The date of the transaction when the Premise or Lot is legally sold and conveyed from one Customer to another.
Sewer Service Agreement-	The agreement between the Developer of the property and the Company that sets the understandings, expectations and obligations of both parties before, during and after construction of the sewer system that will serve the Premises or Lots.
Terms of Service-	The requirements as sets forth by the Company that must be met by the Customer to obtain and continue to receive sewer service.
Lock-out Water Valve-	The lockable water valve installed on the water service to the Premises, on the Premises side of the water meter box. The Lock-out Water Valves is owned by the Company and may be closed in the event of Customer default or non-payment.
Treatment Plant-	Also called the Treatment Facility, which includes tanks and equipment to treat or transform sewage or otherwise eliminate pollutants so that the product of treatment meets standards set forth by governmental agencies for the protection and enhancement of public health and the environment.
Premises-	Building or structure built, set or parked on a Lot, whether for residential, commercial or recreational use and that is or will be connected to the Sewer System.
Lot-	Real estate, on which a Premise is planned, that is or will be
System Maintenance Fee-	Until such time that a Premises is constructed and occupied, a monthly System Maintenance Fee of \$10.00 per month is to be paid to the Company by the owner of each unoccupied lot or premise in the area served by the sewer system to maintain its readiness to provide future sewer service to the vacant lot or house.

## **INDEX OF RULES AND REGULATIONS**

- I. Required of Customers:
  - 1. System Maintenance Fee
  - 2. Compliance with laws and rules and regulations
  - 3. Notification of Problems
  - 4. Application for Service
  - 5. Install Customer Components
  - 6. Customer ownership of Components
  - 7. Access to valve boxes and access lids
  - 8. Deposit or guarantee
  - 9. Prohibited substances
  
- II. Obligation of the Company
  - 1. Provide sewer
  - 2. Right to disconnect service
  - 3. Cost of repair
  - 4. Requirement to protect the Company's equipment
  - 5. Customer operation and maintenance
  - 6. Sale of Company assets
  
- III. Requirements After Service Has Been Supplied
  - 1. Notification of Company of defect or trouble
  - 2. Company access to equipment
  - 3. Copies of rates, rules and regulations
  - 4. Billing
  - 5. Legally Binding Company
  - 6. Conflict with Rules and Regulations.

## **RULES AND REGULATIONS**

### **I. ....Required of Customers**

1. Until such time that a Premises is constructed and occupied, a monthly System Maintenance Fee of \$ 10.00 per month is to be paid to the Company by the owner of each unoccupied lot or premise in the area served by the sewer system to maintain its readiness to provide future sewer service to the vacant lot or house.
2. It is understood that sewer service is provided by the Company which is a private utility and management entity operating under the laws of the State of Alabama. Connecting onto the Company's system obligates the Customer(s) to comply with all local, state and federal laws and in accordance with Company's Rules and Regulations.
3. The Customer shall give prompt notice of any difficulty, deficiencies or operating problems with the sewer service in order that prompt attention may be given to alleviate and repair the system and to mitigate any detriment to the public health.
4. The Customer shall complete the Company form to open an account for sewer service. The Customer shall inform the Company the earliest date sewer service shall be required. In no way shall the Company be held responsible for any delays in construction due to any conflict or delays in connecting onto the system. The Customer shall also be responsible to obtain any necessary permits from other authorities as applicable.
5. At his cost the Customer shall install the lot components from the building plumbing to the connection point of the collection system. It is the responsibility of the Customer to insure that the lot components shall be in accordance with local building codes and inspected both by local authorities and the Company. The Customer shall notify the Company 48 hours in advance of the date the construction is to commence. The Customer shall assure that all connections and joints are in accordance with Company specifications and procedures.
6. All service components located within the property boundary, including the outfall line to the interceptor tank, the interceptor tank, pumps and outfall line to the property line is owned by the Customer. The Company is responsible only for the routine operation and maintenance of the Customer's components.
7. The Customer shall install a lockable water valve at the Customer's side of the water meter and the Company shall have exclusive right to close the valve for non-payment of services. However, the use of this valve does not in any way relieve the Customer of the obligation to pay for water service to the water service provider. In addition, the Customer(s) understands that if they fail to pay for services or operates and discharges wastewater harmful to the system, the  
  
Company has the right to shut off the water or sewer service. The Customer(s)

agree to indemnify and hold harmless the Company, its successors or assignees from any liability stemming from the disconnection of service.

If the Customer fails to install a lockable water valve, the Company reserves the right to install a lockable water valve at its discretion on the Customer(s) side of the water meter.

8. The Customer shall insure that all valve boxes and access lids are fully visible and accessible by Company personnel. Access to the interceptor tank, its openings and appurtenances, and its associated piping for inspection, repair or other purposes shall be permitted by the Customer to authorized agents of the Company at all reasonable hours.
9. A Customer that connects to the Company's Sewer System illegally or without properly notifying the Company shall be assessed a minimum fee of \$ 500 plus any fees or penalties provided by law.
10. If anyone shall tamper with the Company's equipment including the valve box and lockout valve a minimum fee of \$ 250 shall be assessed plus any civil penalties provided by law.
11. The Customer shall not allow the following prohibited materials from entering the sewer system. Any and all costs associated with repairs or damages to the sewer system caused by Customer's failure to abide with these prohibitions will be at the expense of the Customer including any legal or court costs and shall be paid within thirty (30) days from receipt.

Coffee grinds	Dental floss	Kitty Litter	Tampons
Disposal diapers	Sanitary napkins	Cigarette butts	Condoms
Fats, grease or oil	Paper towels	Paints	Varnishes
Thinners	Motor oil	Pesticides	Fuels
Photographic solutions	Septic Tank Additives		

and any materials meeting the following:

A. GENERAL:

- a. No storm water from pavements, area roads and ways, roof runoff water, foundation drains, subsurface drains, water from springs, cooling water, basement sump pump discharge, photographic developing or processing chemicals, unpolluted industrial or commercial process water, or other sources shall be discharged into the Company's sewer system.
- b. When expressly authorized by the Company. Normal household shredded garbage from the kitchen residential garbage disposal is permitted.

B. DISCHARGE:

**No person shall cause or permit to be discharged into the Company's wastewater sewage system any toxic substance or waste having any of the following characteristics:**

- a. Waste containing any gasoline, naphtha, fuel, oil or other liquids, solids or gases which by reason of their nature or quality may cause fire or explosion or be in any other way injurious to persons, the structures of the wastewater sewage system or its operation.
- b. Wastewater containing any photographic developing or processing fluids or chemicals.
- c. Waste having a temperature in excess of 120 Degrees Fahrenheit or lower than 20 Degrees Fahrenheit.
- d. Washes having a pH lower than 6.0 or higher than 9.0 having any corrosive property capable of causing damage or hazards to structures, components, equipment or personnel of the wastewater sewage system.
- e. Waste containing any noxious or malodorous gas or substance that either singly or by interaction with sewage or other waste is likely, in the opinion of the appropriate governmental authority or the Utility, to create a public nuisance or hazard to life or prevent entry to sewers for their maintenance or repair.
- f. Waste containing ashes, cinders, sand, mud, straw, shavings, metal, paint, glass, rags, feathers, tar, plastic, wood, cotton or other fibers, lime, slurry or any other solid or viscous material of such character or in such quantity as in the opinion of the Utility may cause an obstruction to the flow in sewers or otherwise interfere with the proper operation of the sewer system.
- g. Waste containing insoluble, non-flocculent substances having a specific gravity in excess of 2.65.
- h. Waste water containing soluble substances in such concentrations as to cause the specific gravity to be greater than 1.1.
- i. Waste containing any of the following substances in concentrations exceeding those shown in the following tables as measured by an acceptable method:

SUBSTANCE	MAXIMUM PERMISSIBLE CONCENTRATIONS (mg per 1000 gallons)
Phenolic Compounds, e.g.,	
As C6H5OH	1.00
Cyanides as CN	0.00
Cyanates as CNO	0.00
C.B.O.D. (5day)	300.00
Iron as FE	3.00
Trivalent Chromium as CR plus three	0.05
Hexavalent Chromium as CR plus six	0.05
Nickel as Ni	0.05
Copper as Cu	0.50
Lead as Pb	0.50
Zinc as Zn	0.50
Mercury as Hg	0.00

- j. Waste containing other matter detrimental to the operation of a sewage treatment plant or sanitary sewers causing erosion, corrosion or deterioration in sewers, equipment and structures of a sanitary or sewer plant.
- k. Waste containing more than 100 mg per 1000 gallons by weight of tar, fat, oil or grease.
- l. Waste containing more than 10 mg per 100 gallons of any of the following gases: hydrogen sulfide, sulfur dioxide, nitrous oxide, or any of the halogens.
- m. Waste containing toxic substances in quantities sufficient to injure or interfere with any sewage treatment process, constitute a hazard humans or animals or create any hazard in the sewer system operation and such toxic waste shall include, but not be limited to, waste containing cyanide, chromium and/or copper ions.
- n. Any waste containing toxic substances in quantities sufficient to interfere with biochemical processes of the sewage treatment works or that will pass through the sewage treatment works and exceed the local, state and/or federal requirements in respect thereof.
- o. Any waste containing radioactive isotopes.

## RULES AND REGULATIONS

### II. OBLIGATIONS OF THE COMPANY

1. The Company will use all reasonable diligence to provide uninterrupted service, but in the event service is interrupted or fails:
  - a) By reason of accident, strike, legal process, governmental order, fire, extraordinary repairs or other causes beyond the control of the Company, or
  - b) By action of the Company when, in the sole judgment of the Company, such interruption will prevent or alleviate an emergency threatening the integrity of the system or aid in the restoration of its service in such an emergency,

Then the Company shall not be held liable for damages because of such interruption or failure and the Customer shall make no claim for such damages.

2. The Company reserves the right to disconnect its services in accordance with Section III below should the Customer fail to comply with any of the provisions of the Company's rate schedules or any of its rules and regulations on file with and approved by the Alabama Public Services Commission or other governing authority.
3. The Customer shall exercise proper care to protect the property of the Company located adjacent to the Customer's property. In the event of loss or damage to Company's equipment arising from neglect of the Customer to properly protect said equipment, the cost of repairs or replacement shall be the responsibility of the Customer.
4. The Company shall provide routine operation and maintenance of the Customer's components which includes pumping out the interceptor tank, if so equipped, cleaning filters, securing access lids, and checking pump operation and controls. All other services shall be considered non-routine and subject to payment by the Customer.
5. The Company shall not sale, encumber, assign or otherwise divest itself of any interest in the lands or fixed assets of the treatment systems and appurtenances without the expressed written consent of the Alabama Public Service Commission, the Alabama Department of Public Health or other governing authority.

## RULES AND REGULATIONS

### III. REQUIREMENTS AFTER SERVICE HAS BEEN FURNISHED

1. The Customer shall give prompt notice to the Company of any defect in or operating problems with the sewer service
2. The authorized agents of the Company shall have free access to the components located on the Customer's property, as is necessary to inspect, maintain and operate the sewer system. The Customer shall use reasonable diligence to protect all components and shall reimburse the Company for injury or damage suffered by it, resulting from actions or negligence of the Customer.
3. A copy of the rates, rules and regulations, under which sewer service will be provided is on file with the Alabama Public Service Commission and is open to inspection at offices of the Company.
4. The amount of one-month's billing will be collected in advance from each Customer prior to rendering services to the Premises. Bills for sewer service will be issued monthly and will be payable at offices of the Company within ten (10) days from the due date.
  - A) Any such bill that is not paid within ten (10) days from the due date shall be considered delinquent. A monthly penalty of five dollars or two percent (2%) of the delinquent bill whichever is more, will be assessed for all delinquent accounts.
  - B) At any time after a Customer's account has become delinquent the Company may provide a written delinquency notice to the Customer including notice of the Company's intention to disconnect service if his account is not paid within ten (10) days. The Company shall also inform the local health department in writing of the intent to disconnect. The water lock-out valve will be used for disconnect for nonpayment. Upon Customers failure to meet the conditions of the notice the Company may disconnect service without further notice, subject to the following provisions:
    - (1) No service shall be disconnected for nonpayment until after 12:00 am on the last day of the notice.
  - C) Notice of the Company's intention to discontinue service as required in paragraph (b) shall be considered to be given to Customer when copy of such notice is left with such Customer, left at the premises where service is rendered, or posted in the United States mail, addressed to the Customer's last known post office address.
  - D) Whenever sewer service is disconnected for nonpayment and Customer requests that service be restored, a disconnect/reconnected fee in the amount of \$ 180.00 dollars shall be paid to the Company before the service is reconnected.

- E) If the bill is paid when the company's agent arrives to disconnect service, a collection fee of \$ 90.00 will be assessed to the customer's account.
  - F) The Company may extend to the Customer on terms satisfactory to the Company, payment of any delinquent account, or any part thereof and its action in so doing shall be without prejudice to its rights to disconnect service.
  - G) It is the responsibility of the Customer to notify the Company regarding existing conditions that might require special consideration prior to the termination of services for nonpayment of a delinquent bill.
  - H) An administrative charge of twenty-five dollars (\$25.00) will be billed to each Customer for which payment for sewer service made is subsequently returned for nonpayment. Such charge shall become a part of the total amount owed by the Customer for which sewer service may be disconnected.
  - I) The Company may decline to serve an applicant or disconnect a Customer who is indebted to the Company for similar sewer service.
5. It is understood that no statement or representative of any employee or officer of the Company shall bind the Company, unless the same be in writing and approved by the signature of an authorized representative of the Company. No employee or officer of the Company is authorized to waive this condition.
6. These rules shall be construed together with the General Rules of the Alabama Public Service Commission. However, in the event these rules conflict with the General Rules of the Alabama Public Service Commission, the latter shall govern.

**This page intentionally left blank**

**This page intentionally left blank**

**This page intentionally left blank**