

M A N I T O B A                    )     Order No. 47/03  
  )  
THE MUNICIPAL ACT                 )     March 10, 2003

BEFORE: G. D. Forrest, Chairman  
          S. Proven, Member

**THE RURAL MUNICIPALITY OF SOUTH NORFOLK  
LOCAL URBAN DISTRICT NO. 1 (RATHWELL)  
INTERIM WATER RATES**

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In Order No. 97/97 dated December 5, 1997, The Public Utilities Board (the Board) approved revised rates for the Rathwell utility located in the Rural Municipality of South Norfolk (the Municipality) as set out in By-law No. 2417/97. As meters are not used in Rathwell, the rates are based on residential equivalent units (REU) and a single family residence assessed at one REU currently is charged \$81.00 annually which includes a \$14.00 service charge.

Since 1997 the utility has experienced operating deficits in 2000, 2001 and 2002. The 2002 deficit is to be recovered by a tax levy in 2003 amounting to \$53.79 per user. In a letter dated February 18, 2003 to the Board, the Municipality advised that the 2002 deficit was caused by a revenue shortfall due to declining customers and costs related to a review of the water plant.

With the assistance of some infrastructure funding, the Municipality plans a major upgrade at the water plant allowing for water treatment for the first time. This will require a further rate study as new operating costs will be incurred.

In a letter dated March 5, 2000 to the Board, the Municipality made application to the Board for an ex parte Order approving interim rates to be effective on the next billing. The

Municipality attached some urgency to this application because of the revenue shortfall and the need for an Order prior to the beginning of May 2003, the next annual billing cycle.

The Municipality was seeking a rate increase of \$69.00 per user which would generate total operating revenues of \$12,750.00 for 2003. Accordingly, the REU would increase to \$136.00 and together with the existing \$14.00 service charge, the proposed annual charge for a residential dwelling to be \$150.00. Large customers pay multiples of the REU and would pay rates accordingly.

The Municipality advised in a letter dated March 18, 2003 that they did not want to revise the bulk water rate at this time.

Having reviewed the Municipalities' application and being satisfied that there is some urgency to the matter, the Board will approve interim rates, on an ex parte basis, as reflected in Schedule "A" with such rates being effective May 1, 2003. These rates will continue in effect until the upgrade in the water plant is complete and revised rates are brought forward at which time these rates will be confirmed or otherwise.

The Municipality will be required to pass a By-law consistent with this Order and file same with the Board.

**IT IS THEREFORE ORDERED THAT:**

1. The interim water rates set forth in Schedule "A" hereto shall apply to all customers of the utility effective on the next billing in the normal course after the date of this Order.
2. The Rural Municipality of South Norfolk pass a By-law rescinding By-law No. 2417/97 and setting out the rates as reflected in Schedule "A".
3. This interim ex parte Order shall remain in force and effect until confirmed or otherwise by a further Order of the Board.

Fees payable upon this Order - \$50.00

THE PUBLIC UTILITIES BOARD

"G. D. FORREST"

Chairman

"G. O. BARRON"

Secretary

Certified a true copy of Order  
No. 47/03 issued by The Public  
Utilities Board

Secretary

SCHEDULE "A"

TO BOARD ORDER NO. 47/03

THE RURAL MUNICIPALITY OF SOUTH NORFOLK

LOCAL URBAN DISTRICT NO. 1 (RATHWELL)

INTERIM WATER RATES

The following rates for the water utility in the Local Urban District of Rathwell in Manitoba shall apply to water consumption of users in Local Improvement District No. 1 (Rathwell) of the Rural Municipality of South Norfolk on and from May 1, 2003.

Customer	Units	Service Charge	Commodity Rate	Total Yearly Bill
Single Family Residence	1	14.00	136.00	150.00
General Commercial				
Senior Citizens Home	6	14.00	816.00	830.00

2. Bulk water sold from plant in Rathwell shall be charged at \$7.00 per thousand gallon, with a minimum charge of \$2.00 for total gallons of 300 and under.