

M A N I T O B A) Order No. 51/05
)
THE PUBLIC UTILITIES BOARD ACT) April 11, 2005

BEFORE: Graham F. J. Lane, C.A., Chairman
S. Proven, P.H.Ec., Member

**TOWN OF GRETNA
WATER AND SEWER RATES
BY-LAW NO. 740-2004**

The Town of Gretna ("the Town") applied to The Public Utilities Board ("the Board") for approval of revised water and sewer rates. The proposed rates are reflected in By-law No. 740-2004, which was filed with the Board after receiving first reading. The Town also filed a rate study prepared by Sawatzky Consulting Services ("SCS"), which was provided with SCS's cover letter of June 4, 2004. A summary of the existing and proposed rates is as follows:

	Existing	Proposed	% Increase
Service Charge	\$10.70	\$13.60	27
Residential Minimum Bill	\$42.80	\$53.65	25
Commodity Rates			
Water	\$7.65	\$9.15	20
Sewer	\$3.05	\$4.20	38

SCS, noting that the Town had hired a consultant to look into the high level of unaccounted for water being experienced, suggested that if the water losses were reduced from 20% to 7.5%, the proposed rate increase could be decreased substantially to approximately 3.5%. On July 9, 2004, the Board advised the Town that the Board would defer consideration of the Town's application pending receipt of the consultant's report on the unaccounted for water situation.

In a letter received by the Board on February 23, 2005, the Town advised that:

- a) a consultant had been engaged to review the unaccounted for water situation;
- b) the Town had been over-billed because of malfunctioning meters at the Pembina Valley Water Co-op reservoir; and
- c) the Town hoped to recover \$60,000 from the Pembina Valley Water Co-op.

The Town further advised that, taking into account:

- a) the high level of unaccounted for water;
- b) the prospects for a recovery of the over-billing error; and
- c) the assumption that the Board would approve its application for a rate increase,

a nominal surplus of \$5,000.00 for 2005 was forecasted.

After careful consideration of the Town's application and supporting submissions, the Board will approve on an interim ex parte basis an approximate 10% increase to commodity rates. The Board will authorize revisions to the minimum quarterly bills and bulk water rates, as described in Appendix "A" to this Order.

In the event the Town's efforts to recover the reported over-billing is not successful and/or the unaccounted for water situation cannot be successfully resolved, the Board will revisit the Town's application and may be prepared to authorize further increases.

However, \$60,000 is reported to be the amount of the over-billing, and if that sum was recovered, the recovery would

exceed the annual cost of the Town's water purchases of \$51,000. The prospective future annual savings in water purchase costs related to the potential correction of faulty meters may be sufficient to negate the need for any further increases at this time.

Balancing these possibilities, the Board is not prepared to approve a rate increase any higher than 10% at this time.

The Board will expect the Town to report on the result of its request of the Pembina Valley Water Co-op, and to indicate the effect of any amendment to billing not only on a retroactive basis but also prospectively.

In the Town's next billing, the Town will be required to provide a notice of the increase approved by the Board with a request to call either the Town's office or the Board if a ratepayer has any questions.

The Board has also considered other aspects of the Town's By-law, hydrant rentals and reconnection fees and will approve the requested amendments related thereto.

As this is an interim ex parte Order, the Board will need to re-affirm or vary this Order subsequent to receipt of the Town's report with respect to the Pembina Valley over-billing and the unaccounted for water situation.

IT IS THEREFORE ORDERED THAT:

1. By-law No. 740-2004 BE AND IS HEREBY APPROVED on an Interim ex-parte basis subject to amendment to agree with this Order.
2. The late payment charge BE AND IS HEREBY AMENDED to agree with Appendix "A" attached hereto.
3. The water and sewer rates set forth in Appendix "A" hereto shall apply to all customers of the utility effective on all water consumed and on all minimum bills effective on the next billing in the normal course after the date of this Order.

APPENDIX "A"

TO BOARD ORDER NO. 51/05

THE TOWN OF GRETNA

WATER AND SEWER RATES

BY-LAW NO. 740-2004

1. Commodity Rates per 1000 Gallons:

<u>Water</u>	<u>Sewer</u>	<u>Total</u>
\$8.40	\$3.35	\$11.75

2. Minimum Quarterly Charges: (Water and Sewer Customers)

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included Gallons</u>	<u>Water Charge</u>	<u>Sewer Charge</u>	<u>Service Charge</u>	<u>Total Quarterly Minimum</u>
5/8"	1	3,000	\$ 25.20	\$ 10.05	\$11.75	\$ 47.00
3/4"	2	6,000	50.40	20.10	11.75	82.25
1"	4	12,000	100.80	40.20	11.75	152.75
1 1/2"	10	30,000	252.00	100.50	11.75	364.25
2"	25	75,000	630.00	251.25	11.75	893.00

Water only customers: Minimum charges will be the same for each meter size as shown above, but the Sewer commodity charge will be excluded.

3. Bulk Sales Rate:

All water sold in bulk by the Town of Gretna shall be charged for at a rate of \$0.25 per 20 gallons = Bulk Rate of \$10.30 M.G.

4. Billings and Penalties for Non-payment of Account:

A late payment charge of 1 1/4% shall be charged on the dollar amount owing after the billing due date. The due date will be a least fourteen days after the mailing of the bills.

5. Hydrant Rentals:

The Town of Gretna shall pay the utility an annual rental of \$60.00 for each hydrant connected to the system.

6. Disconnection of Service:

Service may be disconnected and discontinued immediately and without further notice in the event of non-payment of account within 30 days after the due date.

7. Reconnection of Service:

Any service disconnected, whether due to non-payment of account or for any other reason(s) mutually agreed to by the customer and the Town (i.e., repairs necessitated by negligence of the customer, changes in tenant, vacancy for an extended period, etc.,) shall not be reconnected until a reconnection fee of \$30.00 and all arrears and penalties, if any, have been paid.

8. Service to Customers outside Town of Gretna limits:

Council of the Town of Gretna may sign agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries of the Town. Such agreements shall provide for payment of the appropriate rates set out in this schedule, as well as a surcharge, set by resolution of Council, which shall be equivalent to the frontage levy, general taxes, and special taxes for utility purposes in effect from time to time, or may be in effect from time to time, and which would be levied on the property concerned if it were within the Town boundaries. In addition, all costs of connecting to the Utility's mains, installing and maintaining service connections shall be paid by the customer.