

M A N I T O B A) Order No. 161/06
)
THE PUBLIC UTILITIES BOARD ACT) November 28, 2006

BEFORE: Graham F. J. Lane, C.A., Chairman
 Monica Girouard, C.G.A., Member
 Susan Proven, P.H.Ec., Member

**THE RURAL MUNICIPALITY OF EDWARD
LOCAL IMPROVEMENT DISTRICT NO. 1 (PIERSON)
REVISED WATER AND SEWER RATES
EFFECTIVE JANUARY 1, 2007**

Executive Summary

By this Order, the Public Utilities Board (Board) approves revised utility rates as proposed by the Rural Municipality of Edward (R.M.) for the community of Pierson, effective January 1, 2007.

New and prior rates are as follows:

	Existing			Proposed			Incr%
	Water	Sewer	Total	Water	Sewer	Total	
Commodity Charges/1,000 gallons	\$3.02	\$2.39	\$5.41	\$3.23	\$2.55	\$5.78	6.8%

	Existing		Proposed		Reserve Surcharge	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
Minimum Quarterly Bill: residential	\$21.81	\$22.57	\$11.19	\$15.03		
School	\$38.04	\$40.31	\$53.19	\$57.02		
Lodge	\$411.33	\$439.13	\$51.57	\$55.40		

The Board also approves an increased provision for the Utility reserve fund, by means of a provision collected through rates as indicated above. A Notice of the R.M.'s application was published and posted in the community, seeking comments to be forwarded to the Board, none were received.

Application

The R.M. applied for revised water and sewer rates for the community of Pierson:

	Existing			Proposed			%
	Water	Sewer	Total	Water	Sewer	Total	
Commodity Charges/1,000 gallons	\$3.02	\$2.39	\$5.41	\$3.23	\$2.55	\$5.78	6.8%
	Existing		Proposed		Reserve Surcharge		
	Existing	Proposed	Existing	Proposed	Existing	Proposed	
Minimum Quarterly Bill residential	\$21.81	\$22.57	\$11.19	\$15.03			
School	\$38.04	\$40.31	\$53.19	\$57.02			
Lodge	\$411.33	\$439.13	\$51.57	\$55.40			

The previous utility rate increase was implemented in 2004. At that time, combined water and sewer rates rose from \$5.13 per thousand gallons to \$5.41; residential minimum quarterly bill rose from \$31.50 to \$33.00.

The 2004 application was made at a time the R.M. was reporting consecutive utility deficits; following the rate increases approved by the Board the utility reported a surplus of approximately \$1,800.00 in 2005.

As at December 31, 2005, the utility had accumulated approximately \$7,130.00 in its utility reserve account, developed to meet future capital works through a specific reserve fund charge in rates. In this application, the reserve provision for a residential customer was proposed to rise from \$11.19 per quarter to \$15.03. Also, as at December 31, 2005 the utility reported a nominal surplus account balance of \$1,786.00.

The R.M. included provision for a \$4,500 contingency allowance in its rate proposals, this to provide for future unbudgeted expenditures, an approach consistent with practices followed by other utilities.

The R.M. reports no debenture debt related to the utility. The R.M. reported 2005 expenditures for its utility, as follows:

Administration	\$ 2,800
Water	\$16,205
Sewer	<u>\$28,883</u>
Total	\$47,888

The R.M. budgeted in 2005 to spend \$27,000 for lagoon dredging,

and spent \$16,745. Further, it budgeted \$54,917 for cistern renewal, though the work was not undertaken in 2005.

The R.M. has 122 utility customers. The capital assets of the utility have an original capital cost of \$350,000, with \$75,000 of this amount related to the sewer system. In support of its Application the R.M. filed a copy of By-law No. 11/2006 read the first time on October 10, 2006.

Board Findings

The Board is satisfied with the rates proposed, notes that no comments were received from utility customers following the public notice, and considers the revised rates to be reasonable, and will approve same.

The Board is pleased to note that the R.M. continues to address the financial needs of the utility with reasonable rate increases sought on a regular basis.

The Board is also pleased to note that the capital needs of the utility continue to be addressed. The R.M. has a duty to provide a safe and adequate utility service in an efficient manner. The Board has considered the R.M.'s application by way of a paper process to restrain regulatory costs, which are passed through to utility customers through rates.

IT IS THEREFORE ORDERED THAT:

1. By-law No. 11/2006 of The Rural Municipality of Edward serving Local Improvement District No. 1 (Pierson) BE AND THE SAME IS HEREBY APPROVED.

2. The water and sewer rates set forth in Schedule "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.

Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

"GRAHAM F. J. LANE, C.A."
Chairman

"G. O. BARRON"
Acting Secretary

Certified a true copy of
Order No. 161/06 issued by
The Public Utilities Board

Acting Secretary

SCHEDULE "A"

TO BOARD ORDER NO. 161/06

THE RURAL MUNICIPALITY OF EDWARD

LOCAL IMPROVEMENT DISTRICT NO. 1 (PIERSON)

WATER AND SEWER RATES

BY-LAW NO. 11/2006

SCHEDULE OF QUARTERLY RATES:

1. Commodity Rates per M.G.

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
All water consumption	3.23	2.55	5.78

2. MINIMUM CHARGES, Quarterly

Notwithstanding the Commodity rates set forth in paragraph 1 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

Meter Size	Group Capacity Ratio	Water Included, Gallons	Customer Service Charge	Commodity Charges		Sub-Total Qtly Min	Utility Reserve Fund	Total Qtly Minimum
				Water	Sewer			
5/8"	1	3,000	5.63	9.69	7.65	22.97	15.03	38.00
3/4"	2	6,000	5.63	19.38	15.30	40.31	57.02	97.33
2"	25	75,000	5.63	242.25	191.25	439.13	55.40	494.53

Water only Customers

Minimum Charge will be the same for each meter size as shown above, but the sewer Commodity Charge will be excluded.

3. Service to Customers outside L.I.D. limits

The Council of the R.M. of Edward may sign agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries of the L.I.D. such agreements shall provide for payment of the appropriate rates set out in the 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 at the time, or may be in effect from time to time, and which would be levied on the property concerned if it were within these boundaries. In addition, all costs of connecting to the utility's mains and installing and maintaining service connections will be paid by the consumer.

4. Billings and Penalties

Accounts shall be billed quarterly, and shall be due and payable 30 days after date of billing. A late payment charge of 1¼% shall be charged on the dollar amount owing after the billing due date. The due date will be at least fourteen days after the mailing of the bills.

5. Disconnection

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

6. Reconnection Fee

A customer who has had his services disconnected for any reason shall not be reconnected until all regulations have been complied with, and all arrears paid, as well as any penalties and reconnection costs, being actual costs incurred.

7. Outstanding Bills

Pursuant to Section 252(2) of The Municipal Act, the amount of all outstanding charges for water and sewer service are a lien and charge upon the land serviced, and shall be collected in the same manner in which ordinary taxes upon the land are collectible, and with like remedies.

8. Hydrant Rentals

The customer shall pay to the utility an annual rental of \$75.00 for each hydrant connected to the system.