

M A N I T O B A) Order No. 146/07
)
THE PUBLIC UTILITIES BOARD ACT) November 14, 2007

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

THE RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER
LOCAL IMPROVEMENT DISTRICT NOS. 1 (ST. FRANCOIS XAVIER)
AND 2 (RURAL CUSTOMERS)
REVISED WATER RATES

Executive Summary

By this Order, the Public Utilities Board (Board) approves an application of the Rural Municipality of St. Francois Xavier (RM) for revised and increased water rates, effective January 1, 2008, for Local Improvement District Nos. 1 (St. Francois Xavier) and 2 (rural customers).

Existing and revised rates are:

Commodity Rates/1,000 gallons	Existing	Revised	Increase
Water	\$9.05	\$10.25 ⁽¹⁾	13%
Sewer	<u>\$1.95</u>	<u>\$1.95</u>	0
Combined	\$11.00	\$12.20	11%
Minimum Quarterly Bill (5/8" meter)	\$41.50	\$45.10	9%
Sewer Only Customer's Quarterly Bill	\$41.50	\$45.10	9%

⁽¹⁾ The bulk water rate is the same as the water commodity rate.

Notice of the RM's application was published and posted in the community; no ratepayer expressed concern.

The increases reflect the RM's higher cost of purchasing water from the Cartier Regional Water Co-operative.

Application

On August 23, 2007, the RM applied to the Board for approval of revised water as set out in By-law No. 14-2007.

Then-existing rates, approved in 1999, and proposed rates were:

Commodity Rates/1,000 gallons	Existing	Proposed	Increase
Water	\$9.05	\$10.25 ⁽¹⁾	13%
Sewer	<u>\$1.95</u>	<u>\$1.95</u>	0
Combined	\$11.00	\$12.20	11%
Minimum Quarterly Bill (5/8" meter)	\$41.50	\$45.10	9%
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The RM purchases water from the Cartier Regional Water Co-operative; the purchased cost of water increased in 2007 from \$6.69 to \$7.75 in two stages - the last effective October 1, 2007. The RM made application to the Board to pass through these increases; sewer rates remain unchanged.

While the increase in the purchased cost of water is only \$1.06, after taking into account the unaccounted for water the effective increase is \$1.20 per 1,000 gallons. Unaccounted water is approximately 11%, typical in the industry.

The proposed effective date of the increase is January 1, 2008. While the capital costs of LID Nos. 1 and 2 are different and collected separately, the RM intends to operate the two systems as one utility. By-law No. 1-99 reflected the existing rates approved for St. Francois Xavier only. LID No. 2 was newly established in 2007.

In 2006, the utility as it then existed earned an operating surplus of \$5,016. The following table portrays forecasted

operating costs of the utility for the calendar year 2008, used to determine the proposed rates:

Administration	\$ 9,877
Water	\$124,937
Sewer	<u>\$ 7,476</u>
Total	\$142,290

The quarterly service charge of \$8.50 would remain unchanged.

Notice of the RM's application was published and posted with a request for persons to write the Board by October 26, 2007; no one responded.

Board Findings

The Board will approve the rate application and the proposed rates. The pass-through of the increase in the cost of purchasing water after taking into account water losses is reasonable and prudent to preserve the financial integrity of the utility.

The joining of the operations of LID Nos. 1 and 2 should allow for increased effectiveness. Accordingly, the Board finds this reasonable as well.

IT IS THEREFORE ORDERED THAT:

1. By-law No. 14-2007 BE AND IS HEREBY APPROVED and the revised rates are approved effective January 1, 2008.

Fees payable upon this Order - \$150.00.

THE PUBLIC UTILITIES BOARD

"GRAHAM LANE, C.A."
Chairman

"G. O. Barron"
Acting Secretary

Certified a true copy of
Order No. 146/07 issued by
The Public Utilities Board

Acting Secretary