

MANITOBA ) Order No. 178/07  
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THE PUBLIC UTILITIES BOARD ACT ) December 31, 2007

BEFORE: Graham Lane, CA, Chairman  
Monica Girouard, CGA, Member  
Susan Proven, P.H.Ec., Member

THE RURAL MUNICIPALITY OF THOMPSON  
RURAL WATER UTILITY  
INITIAL WATER RATES

**Executive Summary**

By this Order, the Public Utilities Board (Board) approves the application of the Rural Municipality of Thompson (RM) for initial rates for the Rural Water Utility (Utility) as set out in By-law No. 5/07 and as noted below:

Water (\$/1000 gallons)	\$ 8.50
Quarterly Service Charge	\$ 2.75
Minimum Quarterly bill (5/8" meter)	\$28.25

These are initial rates requiring a forecast of operating costs. The Board found this forecast reasonable.

**Application**

The RM applied to the Board for approval of initial water rates for the Utility on September 20, 2007 as set out in By-law No. 5/07, read the first time on September 12, 2007.

The following rates were submitted for approval:

Water (\$/1000 gallons)	\$ 8.50
Quarterly Service Charge	\$ 2.75
Minimum Quarterly Bill (5/8" meter)	\$28.25

Notice of the RM's application was mailed to each customer with an invitation to write the Board with any comments or concerns by no later than December 21, 2007. No response was received.

The Utility has been under construction since 2003 and was completed in 2006. Currently 90 customers are being served. New customers have been billed the proposed rate and to date the revenues and expenses of the utility have been recorded as part of the Village of Miami (Village) utility accounts.

In the future, the utility will be operated and accounted for separately from the Village's utility, also located in the RM.

As this is a new utility, operating costs have been forecasted as follows:

Administration	\$ 1,000
Water purchases/distribution	<u>\$60,000</u>
Total	\$61,000 <sup>1</sup>

<sup>(1)</sup> \$4,000 will be added to reserves annually.

A single step rate is proposed and no bulk water is sold.

The original capital cost of the utility is \$2.8 million and the annual debenture debt cost of \$66,715 is being collected by a per parcel fee or connection charges.

All water treatment is handled by the Village of Miami Distribution Facility and the RM purchases treated water from Village. As the system is new, there are no water losses.

The RM has four employees with Water Treatment Level 1 and Water Distribution Level 1 certification. These qualifications exceed current requirements.

**Board Findings**

The Board will approve the "initial" rates proposed by the RM. The Board accepted the forecasted operating costs as reasonable together with the \$4,000 annual contribution to reserves.

The Utility will be operated on a stand alone basis and the Board notes that the RM will keep separate accounts for this Utility.

**IT IS THEREFORE ORDERD THAT:**

1. By-law No. 5/07 BE AND IS HEREBY APPROVED.

Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

"GRAHAM LANE CA"  
Chairman

"G. BARRON FCGA"  
Acting Secretary

Certified a true copy of Order No.  
178/07 issued by The Public  
Utilities Board

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Acting Secretary