

M A N I T O B A) Order No. 166/09
)
THE PUBLIC UTILITIES BOARD ACT) December 10, 2009

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

THE RURAL MUNICIPALITY OF RHINELAND
WATER UTILITY AND BULK LOADING STATION
REVISED SERVICE RATES

Executive Summary

By this Order, the Public Utilities Board (Board) approves an application by the Rural Municipality of Rhineland (RM) for revised water charges and fees.

<u>Fees</u>	<u>Current</u>	<u>Revised</u>
Quarterly Service Charge	\$ 6.50	\$ 8.00
Quarterly Meter Reading	\$10.00	\$15.00
Reconnection	\$50.00	\$75.00
Service Interruption		
• Curb Stop Turn On or Turn Off	-	\$25/incident
• Curb Stop Turn Off & Removal of Meter	-	\$40/incident
• Reinstallation of Meter & Curb Stop Turn On	-	\$40/incident

The RM published a notice of application in the November 6 and 13, 2009 editions of The Red River Valley Echo inviting ratepayers to provide comments to the Board; no responses were received.

Application

In support of its application dated October 23, 2009, the RM submitted a copy of by-law No. 2009-8 read for a first time on October 14, 2009; its proposed rate increases with rationale; and, an analysis of utility administration costs. The by-law also provides for pass-through cost increases affecting water rates of \$1.00 per 1,000 gallons (as previously approved by Board Order 150/09).

In support of the proposed increase to the quarterly service charge, the RM provided the following estimated annual costs:

Bill preparation, etc.	\$ 3,600.00
Stationery/postage	4,738.56
Accounting/Audit	6,840.00
Council/Admin/Office	4,545.00
Total	\$19,723.56

The RM projected that its estimated 617 billings at the proposed revised rates would generate \$19,744 in annual utility revenue.

In support of its proposed fees, the RM provided the following information:

Quarterly meter reading (proposed to increase to \$15.00):

This fee would be billed to customers in the event that a meter reading is not submitted to the municipality by the end of the month the reading is requested. The proposed increase is to cover the cost of staff time required to make inquiries and follow up with customers. Staff time was estimated based on $\frac{1}{2}$ to $\frac{3}{4}$ of an hour per reading at \$20.00 per hour, plus overtime costs where contact occurs in the evening.

Reconnection Fees (proposed to increase to \$75.00):

This fee would be applied to customers upon service disconnection as a result of non-payment of account and subsequent reconnection following payment.

Service Interruption (proposed to be based on \$25.00 per hour):

The RM proposed to implement a fee with respect to turning on or off a service in specific instances. For requests to turn a curb stop on or off, the RM proposed \$25/incident, based on estimated staff time of one hour at \$25 per hour. For turning a curb stop off and removing a meter or reinstallation of a meter and turning the service back on, the RM estimated staff time at 1-1/2 hours per incident, and proposed a charge of \$40.

As was required by the Board, the RM published notice in The Red River Echo inviting those affected to write the Board with any comments or concerns with respect to the RM's application by November 20, 2009.

Board Findings

The Board finds that the proposed increases to fees and the implementation of new fees are reasonable, and therefore will approve the application.

The RM provided detailed rationale for the proposed service charges, including estimates of time spent preparing bills and receiving payments, the estimated costs of preparing financial statements, accounting services and reports (based on the actual time spent as well as percentages of costs for computers, software, office overhead, etc.).

An allocation methodology for costs to be shared between the general operation of the municipality and the utility was filed and will also be approved by the Board. The Board will approve the methodology as submitted, and reminds the RM that prior approval is required before changes are made to the methodology.

Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with Section 36 of the Board's Rules of Practice and Procedure (Rules). The Board's Rules may be viewed on the Board's website at www.pub.gov.mb.ca.

IT IS THEREFORE ORDERED THAT:

1. By-law No. 2009-8 of The Rural Municipality of Rhineland BE AND IS HEREBY approved.
2. The Rural Municipality of Rhineland shall file a copy of By-law No. 2009-8 with the Public Utilities Board after it has received third and final reading.

Fees payable upon this Order - \$300.00.

THE PUBLIC UTILITIES BOARD

Chairman

Acting Secretary

Certified a true copy of Order No.
166/09 issued by the Public Utilities
Board

Acting Secretary

Schedule "A"
To
Board Order No. 166/09

**SCHEDULE "A" TO BY-LAW NO. 2009-8
THE RURAL MUNICIPALITY OF RHINELAND
RHINELAND WATER UTILITY AND BULK LOADING STATION**

WATER RATES

SCHEDULE OF QUARTERLY RATES:

1. Commodity Rates per 1000 gallons - (Effective October 1, 2009)

Water

All Water Consumption - Rhineland Water Utility

8.75

2. Minimum Charges, Quarterly

Notwithstanding the commodity rates set forth in paragraph 17 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

Rhineland Water Utility Customers

Meter Size	Group Capacity <u>Ratio</u>	Water Included <u>Gallons</u>	Customer Service <u>Charge</u>	Commodity Charges <u>Water</u>	Total Quarterly <u>Minimum</u>
5/8"	1	3,000	\$8.00	\$ 26.25	\$ 34.25
3/4"	2	6,000	\$8.00	\$ 52.50	\$ 60.50
1"	4	12,000	\$8.00	\$105.00	\$113.00
1½"	10	30,000	\$8.00	\$262.50	\$270.50
2"	25	75,000	\$8.00	\$656.25	\$664.25

3. Commodity Rates per cubic meter (Effective October 1, 2009)

Water

All Water Consumption - Rhineland Water Utility

1.93

4. Minimum Charges, Quarterly

Notwithstanding the commodity rates set forth in paragraph 17 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

Rhineland Water Utility Customers

Meter Size	Group Capacity <u>Ratio</u>	Water Included <u>Cubic</u> <u>Meters</u>	Customer Service <u>Charge</u>	Commodity Charges <u>Water</u>	Total Quarterly <u>Minimum</u>
5/8"	1	15	\$8.00	\$ 28.95	\$ 36.95
3/4"	2	30	\$8.00	\$ 57.90	\$ 65.90
1"	4	60	\$8.00	\$115.80	\$123.80
1½"	10	150	\$8.00	\$289.50	\$297.50
2"	25	375	\$8.00	\$723.75	\$731.75

5. Bulk Water Sales

All water sold in bulk at the Rhineland Water Utility Bulk Loading Stations shall be charged at the following rates:

- Effective October 1st, 2009 at a rate of \$9.30 per 1,000 gallons or \$2.05 per cubic meter

6. Quarterly Meter Reading

All customers shall complete and submit a quarterly meter reading by the end of the month in which a card is mailed. Failure by any customer to complete and submit the card, submit the water meter reading on the Municipality's website, or phone in the water meter reading to the Municipal office by the due date, will result in a phone call from Municipal Administration Staff to obtain a current reading. If a current reading cannot be obtained, an estimate for the water consumption for that customer for the specified quarter will be made. The estimate shall be based on the average consumption per quarter in the previous year, or in the case of a new customer the estimate shall be based on the average quarterly residential consumption. All such phone calls and/or estimated readings shall be subject to a \$15.00 administration fee. The fee may be waived in the case of a physical disability and/or extended leave from the community.

7. Billings & Penalties

Accounts shall be billed quarterly and shall be due and payable 30 days after date of billing. A penalty of 1¼% per month of the amount of the bill shall be added if not paid by the due date.

8. Disconnection

The Public Utilities Board has approved the Conditions Precedent to be followed by the Municipality with respect to the disconnection of service for non-payment including, such matters, as notice and the right to appeal such action to the Public Utilities Board. A copy of the Conditions Precedent is available for inspection at the Municipality's office. See Public Utilities Board Order No. 127/08 and Order No. 39/09.

9. Reconnection

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$75.00 have been paid.

10. Service Interruption

Any service interrupted for due to repairs and maintenance requirements are subject to the following fees:

- Curb Stop Turn Off or Turn On \$25.00 per incident
- Curb Stop Turn Off & Removal of Meter \$40.00 per incident
- Re-installation of Meter & Curb Stop Turn On \$40.00 per incident

11. Outstanding Bills

Pursuant to Section 252(2) of The Municipal Act, the amount of all outstanding charges for water 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.

12. Hydrant Rentals

The Rural Municipality of Rhineland will pay to the utility from funds of the Local Urban District of Rosenfeld an annual rental of \$100.00 for each hydrant connected to the system.

13. Water Allowances Due to Line Freezing

That in any case where, at the request of the Council, a customer allows water to run continuously for any period of time to prevent the water lines in the water system from freezing, the charge to that customer for the current quarter shall be the average of the billings for the last two previous quarters to the same customer, or to the same premises if the occupant has changed.