

M A N I T O B A) **Order No. 136/10**
)
THE PUBLIC UTILITIES BOARD ACT) **December 22, 2010**

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

CITY OF PORTAGE LA PRAIRIE
WATER AND SEWER RATES

Executive Summary

By this Order, the Public Utilities Board (Board) sets revised water and sewer rates for the City of Portage la Prairie (City), and confirms interim rates that were established by Order 172/09.

Revised rates are effective January 1, 2011 and January 1, 2012, as set out below:

Interim Schedule of Quarterly Rates: **2010**

| | Gallons per quarter | | Water \$/1,000 gal. | Sewer \$/1,000 gal. | Total \$/1,000 gal. |
|-----------------|---------------------|-----------|------------------------|------------------------|---------------------------|
| | Minimum | Maximum | | | |
| Domestic | | 50,000 | \$4.58 | \$6.40 | \$10.98 |
| Intermediate | 50,001 | 500,000 | \$3.70 | \$6.40 | \$10.10 |
| Wholesale | 500,001 | 4,000,000 | \$3.23 | \$3.83 | \$ 7.06 |
| Variable | 4,000,001 | - | \$1.33 | \$3.83 | \$ 5.16 |
| Bulk Sales | - | - | \$6.84 | n/a | \$ 6.84 |
| Service Charge* | - | - | - | - | \$15.90 |

Revised Schedule of Quarterly Rates: **2011**

| | Gallons per quarter | | Water \$/1,000 gal. | Sewer \$/1,000 gal. | Total \$/1,000 gal. |
|-----------------|---------------------|-----------|------------------------|------------------------|---------------------------|
| | Minimum | Maximum | | | |
| Domestic | | 50,000 | \$4.63 | \$6.72 | \$11.35 |
| Intermediate | 50,001 | 500,000 | \$3.74 | \$6.72 | \$10.46 |
| Wholesale | 500,001 | 4,000,000 | \$3.33 | \$4.17 | \$7.50 |
| Variable | 4,000,001 | - | \$1.37 | \$4.17 | \$5.54 |
| Bulk Sales | - | - | \$6.91 | - | - |
| Service Charge* | - | - | - | - | \$16.22 |

2012

| | Gallons per quarter | | Water \$/1,000 gal. | Sewer \$/1,000 gal. | Total \$/1,000 gal. |
|--------------|---------------------|-----------|------------------------|------------------------|---------------------------|
| | Minimum | Maximum | | | |
| Domestic | | 50,000 | \$4.68 | \$7.06 | \$11.74 |
| Intermediate | 50,001 | 500,000 | \$3.78 | \$7.06 | \$10.84 |
| Wholesale | 500,001 | 4,000,000 | \$3.43 | \$4.55 | \$ 7.98 |

| | | | | | |
|-----------------|-----------|---|--------|--------|---------|
| Variable | 4,000,001 | - | \$1.41 | \$4.55 | \$ 5.96 |
| Bulk Sales | - | - | \$6.98 | n/a | \$ 6.98 |
| Service Charge* | - | - | - | - | \$16.54 |

* Assessed quarterly

The Board elects to issue two Orders in response to the City's Application. This Order, the first of the two, reflects the Board's decision in respect of water and sewer rates, other charges and fees, and the terms and conditions of service (as set out in attached Schedule A).

The second Order, to be issued in the New Year, will provide the Board's rationale for its decisions (as provided herein), as well as recommendations and comments.

This Order follows:

- a) a public hearing held in December 2009 - at which the City proposed higher rates than those established herein;
- b) a revised rate application filed by the City in May 2010, those proposed rates lower than those proposed at the December 2009 public hearing); and
- c) a Notice of Application published and posted in the City (the notice set out the City's proposed rates and invited customers to file any expressions of concern with the Board by December 1, 2010.)

The only submission received from the public was from McCain, which was also the only registered intervener to the proceeding.

The rationale for approving rates as sought includes:

- a) Based on projected Utility operational expense increases, rates should rise to avoid operational deficits;
- b) The rates set herein are lower than those first proposed at the December 31, 2009 hearing; and
- c) The City's understanding that the capital cost of removing nutrients from wastewater, the removal required by the Province, will be considerably less than first expected estimating capital costs of \$25.0 Million (as the preferred processing nutrient removal method) compared with previous estimates of \$51 Million.

With respect to the City's planned capital projects, which include nutrient removal from wastewater effluent, in the absence of contradiction to-date by the Province, the Board accepts the City's nutrient removal plans, while continuing to support the City's efforts to build its Nutrient Removal Reserve Fund (this to better ensure adequate funds are available for the project when it is undertaken).

The second Order, which will follow in 2011, will provide recommendations, commentary and detailed support for the directions and views of the Board as set out herein.

The City's application sought revised rates to be effective January 1, 2011 and required the Board's immediate attention and direction. This order is therefore issued in advance of a more detailed one to follow.

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. The Board's Rules may be viewed on the Board's website at www.pub.gov.mb.ca.

IT IS THEREFORE ORDERED THAT:

1. The Public Utilities Board hereby approves the rates, charges and conditions established by the City of Portage la Prairie By-law's (10-8485 and 06-8326).
2. The City of Portage la Prairie shall file a copy of By-law No. 10-8485 after it has received third and final reading.
3. Amended rates are to take effect as of January 1, 2011 and January 1, 2012 (as noted in Schedule "A", attached hereto).

Fees payable upon this Order - \$750.00

THE PUBLIC UTILITIES BOARD

"GRAHAM LANE, CA"

Chairman

"KRISTINE SHIELDS"

Acting Secretary

Certified a true copy of Order No.
136/10 issued by The Public
Utilities Board

Acting Secretary

SCHEDULE "A"
TO BOARD ORDER NO. 136/10
CITY OF PORTAGE LA PRAIRIE
WATER AND SEWER RATES
BY-LAW NO. 10-8485

1. Revised (interim) Schedule of Quarterly Rates:

Revised Schedule of Quarterly Rates:

January 1, 2011

| | Gallons per quarter | | Water \$/1,000 gal. | Sewer \$/1,000 gal. | Total \$/1,000 gal |
|-----------------|---------------------|-----------|------------------------|------------------------|--------------------------|
| | Minimum | Maximum | | | |
| Domestic | | 50,000 | \$4.63 | \$6.72 | \$11.35 |
| Intermediate | 50,001 | 500,000 | \$3.74 | \$6.72 | \$10.46 |
| Wholesale | 500,001 | 4,000,000 | \$3.33 | \$4.17 | \$7.50 |
| Variable | 4,000,001 | - | \$1.37 | \$4.17 | \$5.54 |
| Bulk Sales | - | - | \$6.91 | - | \$6.91 |
| Service Charge* | - | - | - | - | \$16.22 |

Water & Sewer Customers

| Meter Size | Group Capacity Ratio | Water Included Gallons | Customer Service Charge | Water Commodity Charge | Sewer Commodity Charge | Water & Sewer Total Quarterly Minimum | Total Non- sewer Quarterly Minimum |
|-------------------|-------------------------------------|---------------------------------------|--|---------------------------------------|---------------------------------------|--|---|
| 5/8 inch | 1 | 3,000 | \$ 16.22 | 13.89 | 20.16 | \$ 50.27 | \$ 30.11 |
| 3/4 inch | 2 | 6,000 | \$ 16.22 | 27.78 | 40.32 | \$ 84.32 | \$ 44.00 |
| 1 inch | 4 | 12,000 | \$ 16.22 | 55.56 | 80.64 | \$ 152.42 | \$ 71.78 |
| 1 1/2 inch | 10 | 30,000 | \$ 16.22 | 138.90 | 201.60 | \$ 356.72 | \$155.12 |
| 2 inch | 25 | 75,000 | \$ 16.22 | 325.00 | 504.00 | \$ 845.22 | \$341.22 |
| 3 inch | 45 | 135,000 | \$ 16.22 | 549.40 | 907.20 | \$1,472.28 | \$565.62 |
| 4 inch | 90 | 270,000 | \$ 16.22 | 1,054.30 | 1,814.40 | \$2,884.92 | \$1,070.52 |
| 6 inch | 170 | 510,000 | \$ 16.22 | 1,947.80- | 3,401.70 | \$5,365.72 | \$1,964.02 |

Revised Schedule of Quarterly Rates:

January 1, 2012

| | Gallons per quarter | | Water \$/1,000 gal. | Sewer \$/1,000 gal. | Total \$/1,000 gal |
|-----------------|---------------------|-----------|------------------------|------------------------|--------------------------|
| | Minimum | Maximum | | | |
| Domestic | | 50,000 | \$4.68 | \$7.06 | \$11.74 |
| Intermediate | 50,001 | 500,000 | \$3.78 | \$7.06 | \$10.84 |
| Wholesale | 500,001 | 4,000,000 | \$3.43 | \$4.55 | \$ 7.98 |
| Variable | 4,000,001 | - | \$1.41 | \$4.55 | \$ 5.96 |
| Bulk Sales | - | - | \$6.98 | n/a | \$ 6.98 |
| Service Charge* | - | - | - | - | \$16.54 |

* Assessed quarterly

Water & Sewer Customers

| Meter Size | Group Capacity Ratio | Water Included Gallons | Customer Service Charge | Water Commodity Charge | Sewer Commodity Charge | Water & Sewer Total Quarterly Minimum | Total Non-sewer Quarterly Minimum |
|------------|----------------------|------------------------|-------------------------|------------------------|------------------------|---------------------------------------|-----------------------------------|
| 5/8 inch | 1 | 3,000 | \$ 16.54 | 14.04 | 21.18 | \$ 51.76 | \$ 30.58 |
| 3/4 inch | 2 | 6,000 | \$ 16.54 | 28.08 | 42.36 | \$ 86.98 | \$ 44.62 |
| 1 inch | 4 | 12,000 | \$ 16.54 | 56.16 | 84.72 | \$ 157.42 | \$ 72.70 |
| 1 1/2 inch | 10 | 30,000 | \$ 16.54 | 140.40 | 211.80 | \$ 368.74 | \$ 156.94 |
| 2 inch | 25 | 75,000 | \$ 16.54 | 328.50 | 529.50 | \$ 874.54 | \$ 345.04 |
| 3 inch | 45 | 135,000 | \$ 16.54 | 555.30 | 953.10 | \$ 1,524.94 | \$ 571.84 |
| 4 inch | 90 | 270,000 | \$ 16.54 | 1,065.60 | 1,906.20 | \$ 2,988.34 | \$1,082.14 |
| 6 inch | 170 | 510,000 | \$ 16.54 | 1,969.30 | 3,575.50 | \$ 5,561.34 | \$1,985.84 |

Water only Customers

Quarterly minimum charge is the same for each meter size as shown above, except that the Sewer Commodity charge is excluded.

Sewer only residential customers

Customers using sewer service only will pay the relevant minimum charge shown above except that the water commodity charge will be omitted.

2. Accounts Due - Penalties, Disconnect and Reconnect

All water accounts shall be filed within 15 days following the end of the quarter in which the water was used, and shall be payable at par on the first day of the month, next

following the date of billing, called hereafter the due date, and for 21 days thereafter. A late payment charge of 1¼% shall be charged on the dollar amount owing after the billing due date.

One month after the due date for the payment of the account, the water may be shut off at the discretion of the City, and may be turned on only after all arrears and penalties have been paid together with the sum of \$35.00 for the turning on of the water, during the normal working hours of the City Employees.

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.

3. Outstanding Charges Form a Lien on the Land

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 collected, and with like remedies.

4. Service to customers Outside the City Limits

The Council of the City may sign agreements with customers for the provision of water and sewer services to properties outside the legal boundaries of the City. Such agreements shall provide for payment of the appropriate rates set out in this schedule herein, 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 utilities mains and installing and maintaining service connections will be paid by the customer.

5. Fire Hydrant Rental and Connections

The City shall pay to the water utility an annual rent of \$125.00 per hydrant for fire hydrants situated within the corporate limits of the City, which annual rental amount shall include charges for all water used through such hydrants for firefighting purposes.

Privately owned hydrants that are direct extensions of the City's internal water distribution system shall be subject to an annual connection fee as follows:

| | | |
|-----------|-------------------------|--------------|
| | i. Location of hydrant: | |
| | ii. <u>In-city</u> | <u>Rural</u> |
| Metered | \$50 | \$125 |
| Unmetered | \$125 | \$200 |

6. Bulk Sales

All water sold in bulk sales shall be charged for at the rate as identified in this schedule per 1,000 gallons on a pro-rated basis for all quantities greater than 250 gallons.

7. Water Service Activations

THAT a rate for a construction turn-on be created for the purpose of providing a Contractor with construction water. This rate would be a flat rate of \$40.00 per construction turn-on for a period up to the date of substantial completion of the project as defined by the Builders Liens Act. The Contractor will also be responsible to pay the City the cost of any water consumed during this period at the applicable sewer and water rates. There would be a maximum of one construction turn-on per building allowed.

That the rate for either construction turn-on performed outside of normal working hours be fixed at \$85 per construction turn-on.

8. Oversize Meter Charges

That an oversize meter charge be levied on every water meter installed larger than the basic 5/8" water meter. The oversize meter charges shall be as follows:

| | |
|-------------------|--|
| Meter Size | |
|-------------------|--|

| | |
|------------|----------|
| 5/8 inch | \$ 0.00 |
| ¾ inch | 50.00 |
| 1 inch | 115.00 |
| 1 1/2 inch | 295.00 |
| 2 inch | 400.00 |
| 3 inch | 1,455.00 |
| 4 inch | 2,355.00 |
| 6 inch | 4,170.00 |

11. Calibration Fee

That a calibration fee be charged on each water meter removed to check the meter calibration. That calibration shall be \$35.00 per calibration, which represents the cost of removing the water meter, checking the calibration and installing of a water meter. When the calibration of the water meter is found to be reading incorrect, the calibration fee shall be returned to the water meter user.

12. Change of Water or Water & Sewer

That a charge for change of water or water and sewer shall be \$35.00 per meter per turn on, performed during normal working hours, for a service that has changed users or service, the fee to recover the cost of completing the change of user or service.

That the charge for a change of water or water and sewer user shall be \$85.00 per meter per turn-on, performed outside of normal working hours, for a service that has changed users, the fee to recover the cost of completing the change of user.

13. Inspection Fee

That the inspection fee for a new sewer and water installation shall be \$50.00 per inspection per service installation between the street property line and the buildings. The inspection fee recovers the cost of the inspection and the completion of the records.

14. Reconnection Fee

That the reconnection fee shall be \$35.00 per meter per reconnection performed during normal working hours. That the charge be services that are discontinued due to unpaid

accounts.

That the reconnection fee shall be \$85.00 per meter per reconnection performed outside of normal working hours.
That the charge be for services that are discontinued due to unpaid accounts.