

M A N I T O B A)
)
THE PUBLIC UTILITIES BOARD ACT) Order No. 111/11
) August 25, 2011

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

FINAL WATER RATES
RURAL MUNICIPALITY OF LANGFORD
EFFECTIVE JANUARY 1, 2011

Executive Summary

By this Order, the Public Utilities Board (Board) confirms and provides final approval of water rates for the Rural Municipality of Langford (RM) for the years 2010, 2011 and 2012 as follows:

Previous

	Cubic Metres (m³)	Rate per m³
First Step	1 to 175	\$1.8746
Second Step	176 to 1499	\$1.6308
Third Step	Over 1500	\$1.3110

Effective October 1, 2010

	Cubic Metres (m³)	Rate per m³
First Step	1 to 175	\$2.5570
Second Step	176 to 1499	\$2.0029
Third Step	Over 1500	\$1.6254

Effective January 1, 2011

	Cubic Metres (m³)	Rate per m³
First Step	1 to 175	\$2.6048
Second Step	176 to 1499	\$2.2479
Third Step	Over 1500	\$1.9577

Effective January 1, 2012

	Cubic Metres (m³)	Rate per m³
First Step	1 to 175	\$2.6459
Second Step	Over 176	\$2.0994

The quarterly service charge will increase from the previous \$15.00 to \$16.00, \$16.50 and \$17.00 in each of the three years respectively.

Further details can be found in the attached Schedule "A".

Introduction

The RM applied for revised water rates as set out in By-law No. 03/10, read the first time on February 9, 2010, and supported by a rate study.

By Order 88/10 the Public Utilities Board (Board) approved revised water rates for the RM for the remainder of 2010, 2011 and 2012.

On November 8, 2010, the RM filed with the Board proposed revised rates based on rate recalculations, redistributing responsibility for expenses between the three user categories (step rates).

The Board reviewed the proposed revised rates, and, by way of an *ex parte* process (without prior public notice and a public hearing), provided interim approval in Order 132/10, having found the proposal to be reasonable.

The Board required the RM to provide public notice to its utility customers of the revised and interim rates set by way of this Order, and their right to file objections, if any, with the Board.

Application for review

The RM applied for a variation of Board Order 88/10 on the premise that amortization expenses, used in the calculation of rates, was unfairly distributed, placing an inequitable load on domestic and intermediate use customers.

Amortization expenses had not been included in the original application. When the Board reviewed the application, it added this expense to the revenue requirement but did not assign any of it to the wholesale rates.

The RM's submission was to rectify what it perceived to be an inequity, by assigning the amortization expense as follows:

- 60% to domestic rates
- 25% to intermediate rates
- 15% to wholesale rates

Following interim approval, the RM provided notice of their proposal to customers, and included the Board's interim approval as defined in Order 132/10. The notice was dated January 5, 2011 and afforded the opportunity for customers to express their views to either the Board directly or to the RM. No submissions were received by the Board, nor were any reported by the RM.

Board Findings

The Board finds that the redistribution of amortization expenses in the rate requirement to be fair and reasonable.

The Board also concludes that the lack of submissions in response to the notice to be an indication by the customers that the change is acceptable to them.

The Board will therefore provide final approval of the interim rates set in Order 132/10.

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.

IT IS THEREFORE ORDERED THAT:

1. The water utility rates for 2010, 2011 and 2012 for the Rural Municipality of Langford, as shown in the attached Schedule "A", are hereby approved as final.

Fees payable upon this Order - \$500.00

THE PUBLIC UTILITIES BOARD

"GRAHAM LANE, CA"

Chairman

"KRISTINE SHIELDS"

Acting Secretary

Certified a true copy of Order No.
111/11 issued by The Public Utilities
Board

Acting Secretary

SCHEDULE "A"
TO BOARD ORDER NO. 111/11
RURAL MUNICIPALITY OF LANGFORD
WATER RATES

1. Commodity Rates for Three Steps

Effective January 1, 2011

	Cubic Metres (m³)	Rate per m³
First Step	1 to 175	\$2.6048
Second Step	176 to 1499	\$2.2479
Third Step	Over 1500	\$1.9577

Commodity Rates for Two Steps

Effective January 1, 2012

	Cubic Metres (m³)	Rate per m³
First Step	1 to 175	\$2.6459
Second Step	Over 176	\$2.0994

2. Minimum Charges Per Quarter - Water

All customers shall pay the quarterly minimum charges as set out below, such minimum charges to include the quarterly water allowances indicated as follows:

Effective January 1, 2011

Meter Size	Minimum Quantity (m³) per Quarter	Minimum Quarterly Water Charge	Service Charge	Minimum Quarterly Bill
½ or 5/8"	14	\$36.47	\$16.50	\$52.97
3/4"	28	\$72.93	\$16.50	\$89.43
1"	56	\$145.87	\$16.50	\$162.37
1 1/2"	140	\$364.67	\$16.50	\$381.17
2"	350	\$849.23	\$16.50	\$865.73

Effective January 1, 2012

Meter Size	Minimum Quantity (m³) per Quarter	Minimum Quarterly Water Charge	Service Charge	Minimum Quarterly Bill
1/2 or 5/8	14	\$37.04	\$17.00	\$54.04
3/4"	28	\$74.08	\$17.00	\$91.08
1"	56	\$148.17	\$17.00	\$165.17
1 1/2"	140	\$396.88	\$17.00	\$413.88
2"	350	\$830.42	\$17.00	\$847.42

3. Service To Customers Outside the Municipality

The Council of the Rural Municipality of Langford may sign agreements with customers for the provision of water services to properties located outside the legal boundaries of the Rural Municipality of Langford. Such agreements shall provide for the payment of the appropriate rates set out in this 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. All costs of connecting to the utility's mains and installing and maintaining service connections will be paid by the customer as per the agreement.

4. BILLINGS AND PENALTIES

Accounts shall be billed quarterly, and shall be due and payable fourteen days after date of billing. A late payment charge of 1½% shall be charged on the dollar amount owing after the billing due date and shall compound monthly.

5. WATER ALLOWANCE 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 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 previous quarters to the same customer, or to the same premises if the occupant has changed.

6. ACTIVATION AND TERMINATION OF WATER SERVICE

There shall be an activation and termination fee of \$50.00 charged to the consumer for each occurrence when RM of Langford staff must attend to the service.

In addition, services may be disconnected without further notice if the account has not been paid within 59 days of the due date (as per the Public Utilities Board Conditions Precedent, allowing for the collection and disconnection of water and/or sewer services for nonpayment of accounts).

That, before service is reconnected, payment shall be made of all arrears and penalties, plus a reconnection charge of \$50.00

7. OUTSTANDING UTILITY CHARGES & DISCONNECTION FOR NON-PAYMENT

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 Municipal office.