

M A N I T O B A) Order No. 123/12
)
THE PUBLIC UTILITIES BOARD ACT) September 21, 2012

BEFORE: Susan Proven, P.H.Ec., Acting Chair
Raymond Lafond, B.A., C.M.A., F.C.A., Member

RURAL MUNICIPALITY OF ALEXANDER
ORDER VARYING BOARD ORDER No. 59/12
FOR
GREAT FALLS WATER AND SEWER UTILITY
CAP DORE WATER DISTRIBUTION AND CAP DORE/ST. GEORGES SEWER
COLLECTION AND TREATMENT UTILITY
PINE GROVE WATER TREATMENT AND DISTRIBUTION UTILITY
TRUCK HAUL UTILITY
RATES 2012, 2013 AND 2014

Executive Summary

The Public Utilities Board (Board) will vary Board Order No.59/12 with respect to the rates set therein for the Rural Municipality of Alexander (RM) with regard to their Water and Sewer Utility in Great Falls (Great Falls), their Cap Dore Water Distribution and Cap Dore/St. Georges Sewer Collection and Treatment Utility (Cap Dore), and their Truck Haulers Utility.

The Board hereby denies the variance requested in relation to the Pine Grove Water Treatment and Distribution Utility (Pine Grove).

The approved variances are as follows:

- With respect to Great Falls, and the Cap Dore/ St. Georges Sewer Collection System, the effective date of the new rates is amended from January 1, 2012 to April 1, 2012.
- With respect to Great Falls, a disconnection and reconnection fee of \$50 each is added.
- With respect to Cap Dore, the number of REU's assigned to McDougall Place is reduced from 8 to 6 REU's.
- With respect to the Truck Haulers Utility, the effective date of the new rates is changed from January 1, 2012 to August 1, 2012.

Applications

Great Falls and Cap Dore

The RM forwarded a letter to the Board on June 7, 2012 requesting that the approved rates for Great Falls and the Cap Dore/ St. Georges Sewer Collection System be amended from an effective date of January 1, 2012 to April 1, 2012.

The RM advised that the billings for the January to March period had already been sent to customers by the time Order 59/12 was received. Implementing the new rates on January 1, 2012 would effectively constitute retroactive rates which the RM understood to be contrary to usual Board practices.

Great Falls

The RM submitted Resolution No. 2012/529 requesting the addition of a clause in their By-laws to set a disconnection and reconnection fee when such action was requested by the property owner.

The RM noted that such a clause had been contained in previous approvals and requested reinstatement.

Cap Dore

On June 12, 2012, the RM submitted Resolution No. 397/12 recommending the reduction of the assignment of Residential Equivalency Units (REU's) for McDougall place from 8 to 6 REU's.

The RM had re-examined the configuration of McDougall place and offered the following observations:

1. The Caisse has one washroom and one kitchen, roughly equivalent to one residence.
2. The store has one staff room and several sinks deemed equivalent to two residences.
3. The administration has one staff washroom (one equivalency) and one public washroom (two equivalencies).

Truck Haul Utility System

The RM submitted a letter to the Board on August 13, 2012 requesting the effective date for the Truck Haul Utility System be changed from January 1, 2012 to September 1, 2012. Subsequently, after meeting with two of the septic haulers, the RM submitted Resolution No. 2012/524 requesting that the variance, if approved, revise the effective date to August 1, 2012.

The truck haulers had argued that a January 1, 2012 effective date was in effect a retroactive rate approval and did not afford them the opportunity to advise their clients and adjust their billings. After further consideration, and following a meeting with the truck haulers, the RM agreed and requested a variance to the effective date.

Pine Grove Utility

The RM submitted a letter to the Board dated June 6, 2012 requesting that rates be revised as follows:

	Approved	Revised
2013	\$183	\$515
2014	\$187	\$505
2015	\$190	\$510

The RM indicated that it had spent \$7,700 to add chlorination and will incur operator costs not previously contained in their Application to the Board for rates.

Further, the RM indicated that the approved rates would be collected in the year following the year operating costs are incurred. The effective dates would therefore be altered from 2012, 2013 and 2014, to 2013, 2014 and 2015.

Board Findings

The Board has considered the circumstances with respect to the effective dates and agrees with the RM's submission that applying a January 1 effective date would in fact constitute retroactive rate setting, something that the Board generally avoids.

The Board will therefore approve the RM's request to amend the effective date to April 1, 2012 for the Great Falls and Cap Dore Utilities. Further, the Board will amend the effective date for the Truck Haul Utility to August 1, 2012.

Clauses delineating disconnection and reconnection fees are common in municipal By-laws. The Board will approve the addition of the \$50 disconnection fee and \$50 reconnection fee to the By-law governing the Great Falls Water and Sewer Utility.

The Board had received a number of submissions from customers suggesting changes to their Residential Equivalency Unit (REU) assignments. However, the only change being requested by the RM was in relation to McDougall Place. On questioning the RM, the RM indicated that they had received no requests other than the one for McDougall Place. The Board acknowledges the RM's willingness to work with clients in this regard and will approve the REU assignment for McDougall Place.

The Board will not unilaterally amend REU assignments where there has been no customer inquiry with the Utility and therefore no discussion. This would not be fair to the Utility and to the other customers.

In reviewing the RM submission with respect to Pine Grove, the Board has concluded that the RM's request is founded on different information than what was submitted to the Board originally. The RM had requested a \$10,000 "place-mark" which the Board denied based on uncertainty. No consideration had been given to additional treatment costs or to additional staffing costs. Further, the original Notice of Application was for significantly different rates than are now being requested by the RM.

The Board will therefore deny the request to vary the rates for Pine Grove pending a new Notice being issued, thereby allowing customers the opportunity to review the basis of the requested increase in rates, and to provide comments to both the RM and the Board. This will also allow the Board an appropriate opportunity to question the basis of the new application for Pine Grove.

IT IS THEREFORE ORDERED THAT:

1. The effective date for revised water and sewer rates for the Rural Municipality of Alexander's Great Falls Water and Sewer Utility is hereby amended to April 1, 2012.
2. The effective date for water and sewer rates for the Cap Dore water distribution and Cap Dore/St. Georges sewer collection and treatment Utility is hereby amended to April 1, 2012.
3. The effective date for revised rates for the Truck Haul Utility is hereby amended to August 1, 2012.
4. Clauses 6 and 7 to Schedule "A" to Order 59/12 related to the Great Falls Water And Sewer Utility are hereby amended as follows:

Clause 6 -DISCONNECTION

- a) Service may be disconnected and discontinued immediately and without further notice as per the PUB Order 127/08, "The Establishment of Conditions Precedent concerning the disconnection of water and/or sewer for non-payment of accounts."
- b) Service may be disconnected upon request of the property owner following a payment of \$50.00 for said disconnection service.

Clause 7 -RE-CONNECTION

Any service disconnected due to non-payment of account or as a result of a request from the property owner shall not be reconnected until all arrears, penalties and a reconnection fee of \$50.00 have been paid.

5. Schedule "B" to Order 59/12 is hereby amended to reduce the residential equivalency unit assignment for McDougall Place from 8 REUs to 6 REUs.
6. The request to review and vary rates for the Pine Grove Utility BE AND IS HEREBY DENIED.
7. The Rural Municipality of Alexander inform rate payers and impacted truck haul operators of the changes resulting from this Order.
8. The Rural Municipality of Alexander prepare and submit By-laws for each of the four Utilities to reflect the decisions of this Order once they have received third and final reading.

THE PUBLIC UTILITIES BOARD

"Susan Proven, P.H.Ec"
Acting Chair

"KURT SIMONSEN, P.Eng"
Acting Secretary

Certified a true copy of
Order No.123/12 issued by The Public
Utilities Board

Acting Secretary