

M A N I T O B A) Order No. 72/12
)
THE PUBLIC UTILITIES BOARD ACT) June 6, 2012

BEFORE: Susan Proven, P.H.Ec., Acting Chair
Monica Girouard, CGA, Member
Raymond Lafond, CA, Member

RURAL MUNICIPALITY OF BRENDA
LID of Napinka

WATER AND SEWER RATES 2012

Executive Summary

By this Order, the Public Utilities Board (Board) approves, on an interim ex parte basis, the Rural Municipality of Brenda's (RM) application for revised rates for the RM's water and sewer utility effective January 1, 2012.

Previous rates and those now approved for 2012 rates are as follows.

| Commodity rate \$/1,000 gallons | Previous 1997 | 2012 | Increase (Decrease) |
|------------------------------------------|---------------|-----------|---------------------|
| Water | \$3.64 | \$9.00 | 147% |
| Sewer | \$0.45 | \$4.50 | 890% |
| Service charge | \$2.00* | \$10.00** | 400% |
| Minimum charge | | | |
| Water & Sewer* | \$29.00* | \$50.50** | 248% |
| Sewer only* | n/a | \$23.50** | |
| Reconnection charge | \$15.00 | \$25.00 | 67% |
| Undeveloped properties per frontage foot | | \$0.10 | |

*Semi-annual rates

**Quarterly charges (Includes 3,000 gallons)

Schedule "A" attached to this Order provides details about other charges and conditions of service.

Background

The RM applied for interim water and sewer rates on October 20, 2011 in accordance with Bylaw Number 12-2011 read for the first time on October 12, 2011.

A rural water line was installed under the auspices of the Southwest Regional Water Co-Operative [SRWC] in conjunction with the Manitoba Water Services Board in 2010. Houses were connected in mid June 2011. SRWC began charging the RM \$8.00 per 1000 gallons in 2012.

Rates for the RM's water and sewer utility were last set in 1997.

Application

The RM applied for interim rates pending the completion of a full rate study which is expected to be completed at the end of December 2012. The application suggested that rates should be made retroactive to the date of connection.

Because the RM is required to pay \$8.00 per 1000 gallons effective for consumption which began in June 2011, the RM has asked for an interim approval in order to avoid the compounding of deficits which might be expected to occur based on the rates currently being collected versus those being paid.

All property owners were notified during 2010 public hearings that rates were expected to be approximately \$9.25 per 1000 gallons. As the rate being proposed on an interim basis is \$9.00 per 1000 gallons, that RM believes that this rate from the date of connection is reasonable.

Board Findings

The Board does not support the retroactive application of rates, as this does not give the consumers adequate notice and opportunity to adjust their consumption patterns in reaction to increase prices.

However, in order to minimize the deficits which might arise as a result of the increased prices which the RM the is required to pay to the SRWC, the Board will approve the application of the new rates effective January 1, 2012, on the proviso that the RM submit a complete rate study as soon as possible and in any event no later than December 2012.

This approval is granted on an interim ex parte basis, and the RM is directed to provide appropriate notice to its customers of the

Board's approval, including an opportunity for them to provide comments and concerns to both the RM and the Board.

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. Revised water and sewer rates for January 1, 2012, as shown on Schedule "A" attached to this Order for the Rural Municipality of Brenda BE AND ARE HEREBY APPROVED on the interim ex parte basis.
2. The Rural Municipality of Brenda file with the Board its By-law once it has received third and final reading.
3. The Rural Municipality of Brenda prepare and file with the Board a complete rate study by no later than December 2012.
4. The Rural Municipality of Brenda inform its customers of the Board's approval in accordance with a Board approved Notice.

Fees payable upon this Order - \$500.00

THE PUBLIC UTILITIES BOARD

"SUSAN PROVEN, P.H.Ec."
Acting Chair

"KURT SIMONSEN, P.Eng"
Acting Secretary

Certified a true copy of Order No.
72/12 issued by The Public Utilities
Board

Acting Secretary

SCHEDULE "A"
TO BOARD ORDER NO. 72/12
RURAL MUNICIPALITY OF BRENDA WATER UTILITY
WATER RATES
BY-LAW NO. 12-2011

SCHEDULE OF QUARTERLY RATES:

1. Commodity rates per 1000 gallon

| | | |
|--------------|--------------|--------------|
| <u>Water</u> | <u>Sewer</u> | <u>Total</u> |
| \$9.00 | \$4.50 | \$13.50 |

2. Minimum Charges, Quarterly

Notwithstanding the Commodity rates set forth in paragraph 1 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

| | Water Included, Gallons | Customer Service Charge | Commodity Charges | | Total Quarterly Minimum |
|-------------------------|----------------------------------------------------------------------------------------------|-------------------------|-------------------|---------|-------------------------|
| | | | Water | Sewer | |
| Sewer Only Customers | | \$10.00 | | \$13.50 | \$23.50 |
| Sewer & Water Customers | 3,000 | \$10.00 | \$27.00 | \$13.50 | \$50.50 |
| Water Only Customers | 0 | | \$9.00/1000 | | As used |
| Undeveloped Properties | 0 will be assessed at a cost of \$0.10/foot of frontage (excluding property owned by the RM) | | | | |

3. Disconnection

The Public Utilities Board has approved 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.

4. Reconnection Fee

A customer who has had his or her service disconnected for any reason shall not be reconnected until all regulations have been complied with, and all arrears paid, as well as any penalties and a reconnection fee of \$25.00.

5. Billing & Penalties

A late payment charge of 1¼% shall be charged on the dollar amount owing after the billing due date. The due date will be at least fourteen days after the mailing of the bills.

6. Outstanding Bills

Pursuant to Section 252 (2) of The Municipal Act, the amount of all outstanding charges for utility service for Brenda municipal customers 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.

7. 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 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.

8. Water Meters

That all water connections be metered. The meter to be supplied by and remain the property of the utility system. The cost of the meter shall be recovered through the water rates.

9. Meter Repairs

Where a water meter is damaged as a result of negligence of a user, such user shall pay the cost of repairing the damaged meter and the said amount will immediately become a debt due and owing to the Utility within (10) ten days of the demand of same, the water service of said user may be disconnected for repairs. A fee of \$25.00 shall be charged for a reconnection of the service disconnected under this paragraph.