

MANITOBA) Order No. 149/13
)
THE PUBLIC UTILITIES BOARD ACT) December 9, 2013

BEFORE: Susan Proven, P.H.Ec., Acting Chair
Marilyn Kapitany, B.Sc. (Hons.), M.Sc., Member

RURAL MUNICIPALITY OF GIMLI
SURCHARGE TO RECOVER DEBENTURE SERVICING COSTS
SET AS FINAL
OCTOBER 1, 2013 TO SEPTEMBER 30, 2033

Summary

By this Order, the Public Utilities Board hereby confirms as final the utility surcharge to recover debenture servicing costs previously established on an interim *ex parte* basis in Board Order No. 96/13. The surcharge is to recover the debenture servicing costs for sewer renewal projects for the Gimli Urban Center, the Gimli Business Park and Aspen Park, located in the Rural Municipality of Gimli.

The surcharge was approved effective October 1, 2013, and will be charged in addition to the utility rates approved on Board Order No. 64/12. This surcharge is to be in effect for the length of the debenture, a period of twenty (20) years, ending September 30, 2033.

The approved surcharge rates are shown below.

FLAT RATE BASED ON RESIDENTIAL EQUIVALENCY UNITS (REU'S)				
<u>Location</u>	<u>REUs</u>	<u>Debenture</u>	<u>Surcharge</u>	
		<u>payment</u>	<u>Annual</u>	<u>Quarterly</u>
Gimli Urban Centre	1203	\$81,394.20	\$ 67.65	\$ 16.91
Gimli Business Park	168	\$ 1,087.23	\$ 6.47	\$ 1.62
Aspen Park Condos (194 units, proportionate share provided by Condo Corp)		\$ 6,283.24	\$106.40	\$ 26.60

Application

On June 21, 2011, the RM of Gimli (RM) applied for approval of a utility surcharge to fund debenture payments which were anticipated as a result of water and sewer renewal projects in the Gimli Urban Center, the Gimli Business Park and Aspen Park. This application was appended to a rate application submitted to the Public Utilities Board (Board) in May 2011.

In Board Order No. 64/12, the RM was given approval to recover the project through a rate surcharge, in principle, and ordered to submit the final amounts for approval before charging the ratepayers. The Municipal Board has requested that the RM secure Board approval to collect the debenture payments from utility customers; once approved, the RM was to prepare a borrowing by-law for approval by the Municipal Board, which will allow the RM to secure the debenture.

In reviewing an application, the Board can decide to approve interim *ex parte* rates, which are rates subject to review following a more complete process. The Board's decision to approve the surcharge on such a basis was made because the RM had yet to provide public notice of the final charges or complete the drafting of the borrowing by-law. Now that notice has been provided and the By-law No. 13-0013 has received third and final reading, the Board has reviewed the file and is prepared to finalize the surcharge.

The cost of the water and sewer renewal project was originally estimated to be \$2,881,265. The final costs submitted for recovery were for sewer only, and came in significantly lower at \$1,286,954. The annual debenture payment is \$88,765 instead of \$233,657.

Board Findings

The Board confirms as final the debenture surcharge as submitted by the RM, to be collected over a period of twenty (20) years.

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 Rural Municipality of Gimli debenture surcharge, as set out in Schedule "A" to this Order, BE AND IS HEREBY APPROVED to be effective October 1, 2013 to September 30, 2033.

Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

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

"JENNIFER DUBOIS, CMA"
Acting Secretary

Certified a true copy of
Order No. 149/13 issued by
The Public Utilities Board

Acting Secretary

SCHEDULE "A"
TO BOARD ORDER NO. 149/13
Rural Municipality of Gimli
Debenture Surcharge
By-Law No. 13-0013

FLAT RATE BASED ON RESIDENTIAL EQUIVALENCY UNITS (REU'S)				
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