

MANITOBA) Order No. 31/13
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THE PUBLIC UTILITIES BOARD ACT) March 25, 2013

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

RURAL MUNICIPALITY OF MOUNTAIN
LOCAL URBAN DISTRICT OF MAFEKING
WATER DISTRIBUTION SYSTEM
INTERIM WATER RATES - 2013

Summary

By this Order, the Public Utilities Board (Board) approves, on an interim *ex parte* basis, revised water rates for the Local Urban District of Mafeking Water Distribution System (Utility) in the Rural Municipality of Mountain (RM).

The new rates are to be reflected on the next quarterly billing, effective April 1, 2013.

The rates are shown below.

	Current	2013	Increase/ Decrease	2014	Increase/ Decrease
Quarterly Service Charge	\$17.00	\$20.80	22.35%	\$26.70	28.37%
Water - \$/per REU	\$58.20	\$66.95	15.03%	\$75.77	13.17%
Minimum Quarterly	\$75.20	\$87.75	16.69%	\$102.47	16.77%
Rate Rider- Deficit Recovery per Quarter / per customer	n/a	\$23.75	n/a	\$23.75	0.00%
Bulk Water – Truck Fill \$/per 1,000 gallons	\$12.00	\$14.00	16.67%	\$16.35	16.79%
Bulk Water – Pail Fill \$/per 1 gallon	n/a	\$.25	n/a	\$.25	0.00%
Hydrant Rental (Annual)	\$100.00	\$100.00	0.00%	\$100.00	0.00%
Reconnection Fee	\$25.00	\$50.00	100.00%	\$50.00	0.00%

Background

The RM applied in September 2012 for revised water rates for the LUD of Mafeking Water Distribution System. The application was accompanied by a rate study prepared by the RM's consultant and By-law No. 04/12 read for the first time on September 12, 2012. Rates have not been amended since 2008.

When reviewing an application, the Board has at its disposal several approaches. It can hold a public oral hearing at which the applicant can present its case and customers can present their concerns. In other cases, where it is deemed to be in the best interest of the Utility and its customers, the Board may review the application using a paper review process, thus avoiding the expenses of an oral public hearing. In some cases, the Board can also establish interim *ex parte* rates, which are rates that are subject to review following a more complete process.

Application

In addition to the RM's rate application as described above, the RM is also required to submit to the Board an application for approval of any operating deficits incurred.

The rates were determined based on the following expenditure projections.

	2010	2011	2012	2013	2014	2015
General						
Administration	6,446.00	7,976.00	4,600.00	7,021.00	7,162.00	7,305.00
Equity Surcharge 1%	0.00	0.00	0.00	0.00	0.00	0.00
Billing and collection	0.00	0.00	0.00	0.00	0.00	0.00
Penalties	191.00	185.00	150.00	150.00	150.00	150.00
Net revenue general	6,255.00	7,791.00	4,450.00	6,871.00	7,012.00	7,155.00
Purification and treatment	17,140.00	16,468.00	19,000.00	19,380.00	19,768.00	20,163.00
Transmission and Distribution	869.00	0.00	1,900.00	1,432.00	1,461.00	1,490.00
Water purchases	0.00	270.00	0.00	0.00	0.00	0.00
Amortization/ depreciation	13,028.00	13,074.00	13,074.00	13,074.00	13,074.00	13,074.00
Sub-total- water expenses	31,037.00	29,812.00	33,974.00	33,886.00	34,303.00	34,727.00
Bulk Water Fees	800.00	1,010.00	1,000.00	1,000.00	1,170.00	1,369.00
Hydrant Rentals 9@\$100	450.00	450.00	450.00	900.00	900.00	900.00
Connection Charges	850.00	175.00	150.00	150.00	153.00	156.00
Total non-rate revenue - water	2,100.00	1,635.00	1,600.00	2,050.00	2,223.00	2,425.00
Net rate revenue - water	28,937.00	28,177.00	32,374.00	31,836.00	32,080.00	32,302.00

Board Findings

The Board will, on an interim *ex parte* basis, approve revised water rates as applied for by the RM effective April 1, 2013.

The Board makes this interim rate decision due to the urgent need to increase revenues to avoid further Utility deficits. The Board recognizes that by having the rates effective April 1, 2013, another deficit may well occur in 2012.

The RM is to submit an application for approval for any and all outstanding deficits; as required by Board Order No. 151/08.

The Board will require the RM to submit the By-law once it has received third and final reading.

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 Mountain By-law No. 04/12 BE AND IS HEREBY APPROVED on an interim *ex parte* basis, with the revised water rates to be effective April 1, 2013.
- 2. The Rural Municipality of Mountain file a copy of By-law No. 04/12, once it has received third and final reading.

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. 31/13 issued by The Public Utilities Board

Acting Secretary

SCHEDULE "A"

TO BOARD ORDER NO. 31/13

RURAL MUNICIPALITY OF MOUNTAIN

LOCAL URBAN DISTRICT OF MAFEKING

BY-LAW NO. 04/12

SCHEDULE OF QUARTERLY RATES

APRIL 1, 2013

1. Customer Service Charge
 The quarterly customer service charge shall be **\$20.80**

2. Commodity Rates
 The commodity rate for all water consumption shall be based on one residential equivalency unit and pro-rated in accordance with the Schedule of Minimum Quarterly Charges as detailed in Clause 3 hereafter.
 Water commodity rate for one residential equivalent unit shall be **\$66.95**

3. Schedule of Minimum Quarterly Charges

Customer	REU's	Customer Service Charge	Commodity Charge	Total Quarterly Charge
Residential	1.0	\$20.80	\$66.95	\$87.75
Commercial I	1.3	\$20.80	\$87.04	\$107.84
Commercial II	2.0	\$20.80	\$133.90	\$154.70
Commercial III	4.0	\$20.80	\$267.80	\$288.60
Commercial IV	5.0	\$20.80	\$334.75	\$355.55
Ag Service	5.0	\$20.80	\$334.75	\$355.55
Hotel	10.0	\$20.80	\$669.50	\$690.30

4. Bulk Water Sales Rate
 Truck Fill Rate - per 1,000 gallons **\$14.00**
 Pail Fill Rate - per 1 gallon **\$0.25**

SCHEDULE OF QUARTERLY RATES

APRIL 1, 2014

1. Customer Service Charge
 The quarterly customer service charge shall be **\$26.70**

2. Commodity Rates
 The commodity rate for all water consumption shall be based on one residential equivalency unit and pro-rated in accordance with the Schedule of Minimum Quarterly Charges as detailed in Clause 3 hereafter.

- Water commodity rate for one residential equivalent unit shall be **\$75.77**
3. Schedule of Minimum Quarterly Charges

Customer	REU's	Customer Service Charge	Commodity Charge	Total Quarterly Charges
Residential	1.0	\$26.70	\$75.77	\$102.47
Commercial I	1.3	\$26.70	\$98.50	\$125.20
Commercial II	2.0	\$26.70	\$151.54	\$178.24
Commercial III	4.0	\$26.70	\$303.08	\$329.78
Commercial IV	5.0	\$26.70	\$378.85	\$405.55
Ag Service	5.0	\$26.70	\$378.85	\$405.55
Hotel	5.0	\$26.70	\$757.70	\$784.40

4. Bulk Water Sales Rate
 Truck Fill Rate – per 1,000 gallons **\$16.35**
 Pail Fill Rate – per 1 gallon **\$0.25**

Clause 5 – Rate Rider for Deficit Recovery – Effective September, 2012

5. In accordance with PUB Order #104/12 a rate rider of **\$23.75** per customer per quarter for 3 years, commencing September, 2012.
 PUB Order #104/12 states:
 “The actual 2009, 2010 and 2011 operating deficits, when calculated for regulatory purposes, of \$18,462 incurred in the Rural Municipality of Mountain – LUD of Mafeking Water and Sewer Utility, for the purposes set out herein, is HEREBY APPROVED to be recovered by a rate rider of \$95.00 per customer, per year for the term of three (3) years effective July 1, 2012”

Clauses 6 to 12 are Effective April 1, 2013

6. Service to Customers outside L.U.D. of Mafeking limits
 The Council of the RM of Mountain may sign agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries of the L.U.D. Such agreements shall provide for payment of the appropriate rates set out in the 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. In addition, all costs of connection to the Utility’s mains and installing and maintaining service connections will be paid by the customer.
7. Billings and Penalties
 Accounts shall be billed quarterly. A late payment penalty charge of 1 ¼% compounded monthly shall be charged on the dollar amount owing after the billing due date. The due date will be at least twenty (20) days after the mailing of the bills.

8. Disconnections
The Public Utilities Board has approved the Conditions Precedent to be followed by the RM 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 are available for inspection at the RM Office.
9. Reconnection
Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$50.00 have been paid.
10. Outstanding Bills
Pursuant to Section 252(2) of the Municipal Act, the amount of all outstanding charges for water and sewer services, including fines and penalties, 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 collectable, and with like remedies. Where charges and penalties pursuant to this by-law are not paid within sixty (60) days from the date when they were incurred, said charges and penalties shall be added to the taxes on the property and collected in the same manner as other taxes.
11. Hydrant Rentals
An annual charge of One Hundred Dollars (\$100.00) per hydrant shall be made by the utility to the Local Urban District of Mafeking for Fire Protection services, which annual charge shall include water used.
12. Cross Connections
No customer or person shall connect, cause to be connected or allow to remain connected any piping, fixture, fitting, container or appliance in a manner which under any circumstances may allow water, wastewater or any harmful liquid or substance to enter the L.U.D.'s water system.
If a condition is found to exist which, in the opinion of the RM, is contrary to the aforesaid, the RM may either:
 - Shut off the service or services; or
 - Give notice to the customer to correct the fault at his or her own expense within a specified time period. If the customer fails to comply with such notice the RM shall proceed in accordance with clause 1 of this section.