

MANITOBA) Order No. 3/14
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THE PUBLIC UTILITIES BOARD ACT) January 14, 2014

BEFORE: Susan Proven, P.H.Ec., Acting Chair
The Hon. Anita Neville, P.C., B.A. (Hons.), Member

PEMBINA VALLEY WATER CO-OP INC.
WHOLESALE/BULK WATER UTILITY
INTERIM WATER RATES

Summary

By this Order, the Public Utilities Board (Board) approves, on an interim *ex parte* basis, wholesale/bulk water rates as applied for by Pembina Valley Water Co-op Inc. (PVWC).

The new rates are to be effective March 1, 2014. The approved interim rates are shown below.

Year	Increase	Rate*
Current		\$6.78 per 1,000 gallons
2014	10%	\$7.46 per 1,000 gallons
2015	3%	\$7.69 per 1,000 gallons
2016**	0-2%	\$7.69-\$7.84 per 1,000 gallons
2017**	0-2%	\$7.69-\$8.00 per 1,000 gallons
2018**	0-2%	\$7.69-\$8.16 per 1,000 gallons

*The upper rate for 2016, 2017 and 2018 is based on 2% increase for each of those years.

**These years are requested as discretionary increases. The rate can be increased by the PVWC's Board of Directors without making application to the Public Utilities Board. A rate increase of more than the 2% would require Board approval.

The current customers of the Pembina Valley Water Cooperative Inc. include:

PVWC Current Customers	
Town of Altona	City of Morden
Altona Rural Water Co-op	RM of Morris
Blumegart Colony	Town of Morris
Town of Carman	Town of Plum Coulee
RM of Dufferin	RM of Rhineland
Town of Emerson	RM of Roland
RM of Franklin	Roseau River First Nation
Town of Gretna	RM of Stanley
RM of Grey	Village of St. Claude
Halbstadt Marais Water Co-op	RM of Thompson
RM of Montcalm	City of Winkler

Background

The Pembina Valley Water Co-op Inc. applied on August 30, 2013 for revised wholesale/bulk water rates for the Utility. The application was accompanied by a rate study prepared by PVWC's consultant.

When reviewing an application, the Board has at its disposal several approaches. It can hold a public 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. 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.

Implications for Member Customers

By this Order, the Board also provides approval to the listed member municipalities allowing these communities to increase their water rates to reflect a "pass-through" of additional costs arising out of the PVWC's rate increases provided for in this Order.

Process for "pass through rates"

The process to be followed originally set out in Board Order No. 124/09, is as follows:

Step 1. Each municipality or cooperative shall consider the implication of any increase approved by the Board for the PVWC.

Step 2. If the cost increase is to be reflected in the rates of a municipality, and with the one exception that changes in the rate of water losses in the system may also be included, the municipality need only inform PUB and its ratepayers/customers of the "pass through" rate change.

Step 3. If rates are to change for any other reason, the municipality must make application to PUB, which may decide to proceed to hear the application by way of a paper-based process or by way of an oral public hearing.

Step 4. For such "pass through" rate changes, municipalities shall file an amended rate by-law with PUB and provide notice of the change to its customers. There will be no need for either a rate study or advance notice to customers.

Board Findings

The Board will, on an interim *ex parte* basis, approve wholesale/bulk water rates as applied for by PVWC effective March 1, 2014.

The Board makes this interim rate decision due to the urgent need for "pass-through" rates which affect many communities. The PVWC customers are metered and billed monthly based on consumption.

A Notice of the Application was issued on September 9, 2013.
There were no stakeholder responses to the Notice.

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 (Rules). The Board's Rules may be viewed on the Board's website at www.pub.gov.mb.ca.

IT IS THEREFORE ORDERED THAT:

1. The Application of the Pembina Valley Water Cooperative for an increase in water rates to \$7.46 per thousand gallons effective March 1, 2014 BE AND IS HEREBY APPROVED;
2. Pembina Valley Water Cooperative may, by a resolution of its Board of Directors, increase the \$7.46 water rate now approved by up to 3% for 2015 (as of January 1, 2015) and up to 2% per year (as of 2016, 2017 and 2018);
3. Pembina Valley Water Cooperative will provide notice to the Public Utilities Board of any discretionary increases implemented;
4. The process for "pass-through" rates by member municipalities will be adhered to as set out in this Order.

5. Pembina Valley Water Cooperative shall advise its member municipalities that in "passing through" the costs of PVWC water rate increase(s) to their customers/ratepayers, the member municipalities are to advise their customers/ratepayers of the increase(s) and the reason for the increase(s) - i.e. PVWC PUB-approved rate increases.

Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

"SUSAN PROVEN, P.H.Ec."_

Acting Chair

"JENNIFER DUBOIS, CMA"

Acting Secretary