

MANITOBA) Order No 48/14
)
THE PUBLIC UTILITIES BOARD ACT) May 5, 2014

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

RURAL MUNICIPALITIES OF ARTHUR, BRENDA,
THE VILLAGE OF WASKADA
and THE TOWN OF MELITA
PASS THROUGH RATES FOR WATER PURCHASED
FROM THE SOUTHWEST REGIONAL WATER COOPERATIVE

Summary

By this Order, the Public Utilities Board (Board) approves pass through rate increases for the following customers of the Southwest Regional Water Cooperative; the Rural Municipalities of Arthur and Brenda; the Village of Waskada and the Town of Melita.

The approved rates are an increase of \$2.00 per 1,000 gallons and are effective April 1, 2014.

Background

The Village of Waskada advised the Board on March 21, 2014 that the Southwest Regional Water Cooperative (SRWC) was increasing the price of treated water from \$6.00 per 1,000 gallons to \$8.00 per 1,000 gallons, effective April 1, 2014. The SRWC is owned and operated by the Manitoba Water Services Board (MWSB), and as such, is not subject to rate approval by the Public Utilities Board.

Board staff contacted the MWSB to confirm the price increases and the communities affected by these increases. Board staff was also able to confirm that the Southwest Regional Water Cooperative Board of Directors has members from each of the Municipal Corporations listed above.

Therefore, it is the Board's opinion that each of the municipalities is adequately represented in the rate setting process of SWRC. In addition, each of the aforementioned communities was contacted by Board staff. Their input was requested in advance of the Board considering this application for pass-through rates. One response was received, which was in support of the process.

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.

By this Order, the Board provides approval to not only the Village of Waskada, but also to the other listed municipalities allowing these communities to increase their water rates to reflect a "pass-through" of additional costs arising out of the SWRC's rate increases.

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 SRWC.

- 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 approve pass through rate increases for the following customers of the Southwest Regional Water Cooperative; the Rural Municipalities of Arthur and Brenda; the Village of Waskada and the Town of Melita.

The new rates are an increase of \$2.00 per 1,000 gallons and are effective April 1, 2014.

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 Rural Municipalities of Arthur and Brenda, the Village of Waskada and the Town of Melita are to advise their customers/ratepayers of the increase(s) and the reason for the increase(s) - i.e. Southwest Regional Water Cooperative increases approved by the Manitoba Water Services Board.
2. The process for "pass-through" rates by the affected municipalities will be adhered to as set out in this Order.

Fees payable upon this Order - waived

THE PUBLIC UTILITIES BOARD

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

"JENNIFER DUBOIS, CMA"
Acting Secretary

Certified a true copy of
Order No. 48/14 issued by
The Public Utilities Board

Acting Secretary