

M A N I T O B A) **Order No. 124/15**
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THE PUBLIC UTILITIES BOARD ACT) **November 25, 2015**

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

**CITY OF PORTAGE LA PRAIRIE
WATER AND WASTEWATER UTILITY
INTERIM RATES**

Summary

By this Order, the Public Utilities Board (Board) approves, on an interim *ex parte* basis, water and sewer rates applied for by the City of Portage la Prairie (City) water and wastewater utility (Utility).

The City's application also included requests for discretionary increases of 1% in 2017 and 2018, as well as discretionary increases of 3% to 5% for 2019 and beyond. The Board denies the request for interim *ex parte* approval of these discretionary increases. The Board will, however, consider these requested discretionary increases when reviewing the application with a more complete process, prior to setting final rates for the City.

The revised rates are to be effective January 1, 2016, 2017 and 2018. The approved rates are shown below.

	Current By-law No. 06-8326 and 12-8562	Approved 2016 By-law No.15-8633	Increase/ Decrease	Approved 2017 By-law No.15-8633	Increase/ Decrease	Approved 2018 By-law No.15-8633	Increase/ Decrease
Quarterly Service Charge	\$19.15	\$19.72	2.98%	\$20.31	2.99%	\$20.92	3.00%
Water (Gallons per quarter) \$/1,000 gal.							
50,000 and less	\$5.42	\$5.58	2.95%	\$5.75	3.05%	\$5.92	2.96%
50,001 to 500,000	\$4.38	\$4.51	2.97%	\$4.69	3.99%	\$4.88	4.05%
500,001 to 4,000,000	\$4.21	\$4.34	3.09%	\$4.47	3.00%	\$4.63	3.58%
Over 4,000,000	\$1.73	\$1.82	5.20%	\$1.91	4.95%	\$2.01	5.24%
Sewer (Gallons per quarter) \$/1,000 gal.							
50,000 and less	\$8.17	\$8.42	3.06%	\$8.67	2.97%	\$8.93	3.00%
50,001 to 500,000	\$8.17	\$8.42	3.06%	\$8.67	2.97%	\$8.93	3.00%
500,001 to 4,000,000	\$5.57	\$5.90	5.92%	\$6.25	5.93%	\$6.63	6.08%
Over 4,000,000	\$5.57	\$5.90	5.92%	\$6.25	5.93%	\$6.63	6.08%
Bulk Water (\$/1,000 gal.)	\$8.09	\$8.33	2.97%	\$8.58	3.00%	\$8.84	3.03%
Hydrant Rental (annual)	\$125.00	\$125.00	0.00%	\$125.00	0.00%	\$125.00	0.00%

Details of other rates may be found in the attached Schedule "A".

Background

The City of Portage la Prairie (City) applied on October 1, 2015 for revised water and wastewater rates for the Utility. The application was accompanied by a rate study prepared by the City and By-law No. 15-8633 having received 1st reading on September 28, 2015. Rates were previously set in 2013 by Board Order No. 02/13. The City has requested interim *ex parte* rates, effective January 1, 2016.

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. 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.

Board Findings

The Board will, on an interim *ex parte* basis, approve water and wastewater rates as applied for by the City effective January 1, 2016. The Board makes this interim rate decision because the requested rate increases are reasonable and the City advises they are necessary for the utility to meet its operational requirements financially and prepare for the significant capital projects in the near future.

The Board is denying the request to set discretionary increases on an interim *ex parte* basis. However, when the Board reviews the application with a more complete process, prior to setting final rates, this request will be reviewed and a final decision will be made at that time.

A Notice of the Application will be issued to inform the ratepayers of the interim rate increase and allow them the opportunity to respond. The application is available for review at the City of Portage la Prairie's office.

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 wastewater rates for the City of Portage la Prairie BE AND ARE HEREBY APPROVED on an interim *ex parte* basis, in accordance with the attached Schedule "A", effective January 1, 2016.
2. The City of Portage la Prairie file a copy of its revised By-law No. 15-8633, 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, CPA,CMA"

Acting Secretary

Certified a true copy of Order No. 12415
issued by The Public Utilities Board

Acting Secretary

SCHEDULE "A"

CITY OF PORTAGE LA PRAIRIE

WATER & SEWER RATES BY-LAW NO. 15-8633

1

Schedule of
 Quarterly

l) <u>Rates:</u>	gallons per quarter		2016		Total Water & Sewer
	Min	Max	Water /1,000 gal.	Sewer /1,000 gal.	
Domestic		50,000	5.58	8.42	14.00
Intermediate	50,001	500,000	4.51	8.42	12.93
Wholesale	500,001	4,000,000	4.34	5.90	10.24
Variable	4,000,001		1.82	5.90	7.72
Bulk Sales			8.33		
<i>restated in cubic meters</i>					
	Min	Max	Water /cubic meter	Sewer /cubic meter	Water & Sewer
Domestic		227.31	25.37	38.28	63.65
Intermediate	227.32	2,273.05	20.5	38.28	58.78
Wholesale	2,273.06	18,184.36	19.73	26.82	46.55
Variable	18,184.37		8.27	26.82	35.09
Bulk Sales			37.87		

Sewer only residential customers

For most customers, the average quarterly consumption in gallons of water used for residential customers at the domestic sewer rate plus the quarterly service charge.
 Where an exception to this occurs there is a water meter installed at locations such as these and charged per quarter on measured consumption.

II) **Minimum Charges per Quarter** **2016**

A) **Water & Sewer Customers**

Meter Size	Group Capacity Ratio	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Sewer Commodity Charge	Water & Sewer Total Quarterly Minimum	Total Non-sewer Quarterly Minimum
5/8 inch	1	3,000	19.72	16.74	25.26	61.72	36.46
3/4 inch	2	6,000	19.72	33.48	50.52	103.72	53.2
1 inch	4	12,000	19.72	66.96	101.04	187.72	86.68
1 1/2 inch	10	30,000	19.72	167.4	252.6	439.72	187.12
2 inch	25	75,000	19.72	391.75	631.5	1,042.97	411.47
3 inch	45	135,000	19.72	662.35	1,136.70	1,818.77	682.07
4 inch	90	270,000	19.72	1,271.20	2,273.40	3,564.32	1,290.92
6 inch	170	510,000	19.72	2,351.90	4,269.00	6,640.62	2,371.62

B) Water only customers

Quarterly minimum charge is the same for each meter size as shown in table above, except that the Sewer Commodity charge is excluded.

C) Sewer only residential customers

Customers using sewer service only will pay the relevant minimum charge shown in "A" above except that the water commodity charge will be omitted.

2

Schedule of
 Quarterly

i) Rates:

	gallons per quarter		2017		Total Water & Sewer
	Min	Max	Water /1,000gal.	Sewer /1,000 gal.	
Domestic		50,000	5.75	8.67	14.42
Intermediate	50,001	500,000	4.69	8.67	13.36
Wholesale	500,001	4,000,000	4.47	6.25	10.72
Variable	4,000,001		1.91	6.25	8.16

Bulk Sales 8.58

restated in cubic meters

	Min	Max	Water /cubic meter	Sewer /cubic meter	Water & Sewer
Domestic		227.31	26.14	39.41	65.55
Intermediate	227.32	2,273.05	21.32	39.41	60.73
Wholesale	2,273.06	18,184.36	20.32	28.41	48.73
Variable	18,184.37		8.68	28.41	37.09

Bulk Sales 39.01

Sewer only residential customers

For most customers, the average quarterly consumption in gallons of water used for residential customers at the domestic sewer rate plus the quarterly service charge.
 Where an exception to this occurs there is a water meter installed at locations such as these and charged per quarter on measured consumption.

ii) **Minimum Charges per Quarter** **2017**

A) **Water & Sewer Customers**

Meter Size	Group Capacity Ratio	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Sewer Commodity Charge	Water & Sewer Total Quarterly Minimum	Total Non-sewer Quarterly Minimum
5/8 inch	1	3,000	20.31	17.25	26.01	63.57	37.56
3/4 inch	2	6,000	20.31	34.5	52.02	106.83	54.81
1 inch	4	12,000	20.31	69	104.04	193.35	89.31
1 1/2 inch	10	30,000	20.31	172.5	260.1	452.91	192.81
2 inch	25	75,000	20.31	404.75	650.25	1,075.31	425.06
3 inch	45	135,000	20.31	686.15	1,170.45	1,876.91	706.46
4 inch	90	270,000	20.31	1,319.30	2,340.90	3,680.51	1,339.61
6 inch	170	510,000	20.31	2,442.70	4,397.50	6,860.51	2,463.01

B) Water only customers

Quarterly minimum charge is the same for each meter size as shown in table above, except that the Sewer Commodity charge is excluded.

C) Sewer only residential customers

Customers using sewer service only will pay the relevant minimum charge shown in "A" above except that the water commodity charge will be omitted.

3

Schedule of
 Quarterly

l) Rates:

	gallons per quarter		2018 Water /1,000 gal.	Sewer /1,000 gal.	Total Water & Sewer
	Min	Max			
Domestic		50,000	5.92	8.93	14.85
Intermediate	50,001	500,000	4.88	8.93	13.81
Wholesale	500,001	4,000,000	4.63	6.63	11.26
Variable	4,000,001		2.01	6.63	8.64

Bulk Sales 8.84

restated in cubic meters

	Min	Max	Water /cubic meter	Sewer /cubic meter	Water & Sewer
Intermediate	227.32	2,273.05	22.18	40.6	62.78
Wholesale	2,273.06	18,184.36	21.05	30.14	51.19
Variable	18,184.37		9.14	30.14	39.28

Bulk Sales 40.19

Sewer only residential customers

For most customers, the average quarterly consumption in gallons of water used for residential customers at the domestic sewer rate plus the quarterly service charge.

Where an exception to this occurs there is a water meter installed at locations such as these and charged per quarter on measured consumption

ii) **Minimum Charges per Quarter 2018**

Meter Size	Group Capacity Ratio	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Sewer Commodity Charge	Water & Sewer Total Quarterly Minimum	Total Non-sewer Quarterly Minimum
A) 5/8 inch	1	3,000	20.92	17.76	26.79	65.47	38.68
3/4 inch	2	6,000	20.92	35.52	53.58	110.02	56.44
1 inch	4	12,000	20.92	71.04	107.16	199.12	91.96
1 1/2 inch	10	30,000	20.92	177.6	267.9	466.42	198.52
2 inch	25	75,000	20.92	418	669.75	1,108.67	438.92
3 inch	45	135,000	20.92	710.8	1,205.55	1,937.27	731.72
4 inch	90	270,000	20.92	1,369.60	2,411.10	3,801.62	1,390.52
6 inch	170	510,000	20.92	2,538.30	4,531.30	7,090.52	2,559.22

B) Water only customers

Quarterly minimum charge is the same for each meter size as shown in table above, except that the Sewer Commodity charge is excluded.

C) Sewer only residential customers

Customers using sewer service only will pay the relevant minimum charge shown in "A" above except that the water commodity charge will be omitted.

Meter Size conversion to cubic meters

Meter Size	Group Capacity Ratio	Water Included Gallons	Cubic Meters
5/8 inch	1	3,000	13.64
3/4 inch	2	6,000	27.28
1 inch	4	12,000	54.55
1 1/2 inch	10	30,000	136.38
2 inch	25	75,000	340.96
3 inch	45	135,000	613.72
4 inch	90	270,000	1,227.44
6 inch	170	510,000	2,318.51

4. Accounts Due – Penalties

All water accounts shall be filed within 15 days following the end of the quarter in which the water was used, and shall be payable at par on the first day of the month, next following the date of billing, called hereafter the due date, and for 21 days thereafter. A late payment charge of 1¼% shall be charged on the dollar amount owing after the billing due date.

5. Disconnections

The Public Utilities Board has approved the Conditions Precedent to be followed by the City 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 City Hall.

The water may be shut off in compliance with the Conditions Precedent, and may be turned on only after all arrears and penalties have been paid together with the sum of \$40.00 for the turning on of the water, during the normal working hours of the City Employees.

6. Outstanding Charges Form a Lien on the Land

Pursuant to Section 252(2) of The Municipal Act, the amount of all outstanding charges for water and sewer service 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 collected, and with like remedies.

7. Service to customers Outside the City Limits

The Council of the City may sign agreements with customers for the provision of water and sewer services to properties outside the legal boundaries of the City. Such agreements shall provide for payment of the appropriate rates set out in this schedule herein, 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 connecting to the utilities mains and installing and maintaining service connections will be paid by the customer.

8. Fire Hydrant Rental and Connections

The City shall pay to the water utility an annual rent of \$125.00 per hydrant for fire hydrants situated within the corporate limits of the City, which annual rental amount shall include charges for all water used through such hydrants for fire fighting purposes.

Privately owned hydrants that are direct extensions of the City's internal water distribution system shall be subject to an annual connection fee as follows:

	i. Location of hydrant:	
	ii. <u>In-city</u>	<u>Rural</u>
Metered	\$50	\$125
Unmetered	\$125	\$200

9. Bulk Sales

All water sold in bulk sales shall be charged for at the rate as identified in this schedule per 1,000 gallons on a pro-rated basis for all quantities greater than 250 gallons.

10. Water Service for Construction

This rate shall be a flat rate of \$45.00 per construction turn-on for a period up to the date of substantial completion of the project as defined by the Builders Liens Act. The Contractor will also be responsible to pay the City the cost of any water consumed during this period at the applicable sewer and water rates. There would be a maximum of one construction turn-on per building allowed.

The rate for either construction turn-on performed outside of normal working hours shall be fixed at \$95 per construction turn-on.

11. Oversize Meter Charges *Note: fees may change with new digital meters*

That an oversize meter charge be levied on every water meter installed larger than the basic 5/8" water meter at actual cost difference to cost of the basic 5/8" water meter.

12. Calibration Fee

That a calibration fee be charged on each water meter removed to check the meter calibration. That calibration shall be \$75.00 per calibration, which represents the cost of removing the water meter, checking the calibration and installing of a water meter. When the calibration of the water meter is found to be reading incorrect, the calibration fee shall be returned to the water meter user.

13. Change of Water or Water & Sewer

That a charge for change of water or water and sewer shall be \$40.00 per meter per turn on, performed during normal working hours, for a service that has changed users or service, the fee to recover the cost of completing the change of user or service.

That the charge for a change of water or water and sewer user shall be \$95.00 per meter per turn-on, performed outside of normal working hours, for a service that has changed users, the fee to recover the cost of completing the change of user.

14. Inspection Fee

That the inspection fee for a new sewer and water installation shall be \$50.00 per inspection per service installation between the street property line and the buildings. The inspection fee recovers the cost of the inspection and the completion of the records.

15. Reconnection Fee

That the reconnection fee shall be \$40.00 per meter per reconnection performed during normal working hours. That the charge be services that are discontinued due to unpaid accounts.

That the reconnection fee shall be \$95.00 per meter per reconnection performed outside of normal working hours. That the charge be for services that are discontinued due to unpaid accounts.