

Order No. 46/16

**CITY OF THOMPSON
WATER AND WASTEWATER UTILITY
RATE APPLICATION**

March 31, 2016

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

Summary

By this Order, the Public Utilities Board (Board) requires that the City of Thompson file a revised rate application no later than August 31, 2016.

Background

The City of Thompson (City) applied on July 30, 2014 for revised water and wastewater rates for the Utility. The application was accompanied by a rate study prepared by the City's consultant and By-law No. 1917-2014 having received 1st reading on June 23, 2014.

The Board received a letter from the City on December 15, 2014 requesting interim *ex parte* rates. The Board approved that request, and rates were set on an interim *ex parte* basis for January 1, 2015 by Board Order No. 146/14.

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.

In this case, the Board was in the process of completing that review when the City advised the Board that they were working on a revised rate application, which was anticipated to be ready to submit to the Board by the end of February 2016. The City indicated that the changes would result in a reduced wastewater rate and an increased water rate for the Utility. The City then advised the Board on March 27, 2016 that City Council decided on Monday, March 14th, 2016 that they would not be requesting revised rates, and that they are anticipating submitting a new rate application to the Board in

May or June 2016 due to significant changes since the last rate application was submitted.

Currently, the water treatment plant in Thompson is owned by Vale and water is supplied to the City without charge. The City is in negotiations with Vale to transfer ownership of the water treatment plant to the City, which would likely result in an increase to the operating costs of the utility. The City is also experiencing fluctuations in consumption. Prior to 2011, residents were supplied with utility services by Vale (previously known as Inco and later Vale Inco) at no cost. Once the City established a Utility, began billing customers and installed meters to allow for billing on actual consumption, ratepayers began conserving and consumption went below projected numbers.

The City has indicated that they do not want to reduce the rates for a short term and then increase them again. The City has advised the Board that their intent is to apply any surplus towards the capital cost of the wastewater treatment plant to reduce the amount of the borrowing required.

Board Findings

The Board will direct the City to submit a revised water and wastewater rate application on or before August 31, 2016. The Board makes this decision because the City reported the information contained in the rate application the Board is reviewing has changed substantially. The Board also agrees that in the interest of keeping rates stable, the interim rates approved by Order No. 146/14 should remain in effect.

In anticipation of the new rate application, the Board will consider the outstanding rate application of July 30, 2014 to be withdrawn. The revised application will therefore be treated as a new rate application subject to all Board processes including stakeholder notification.

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 rate application from the City of Thompson received by the Public Utilities Board on July 30, 2014 is HEREBY WITHDRAWN.
2. The City of Thompson submit to the Public Utilities Board an application for revised water and wastewater rates on or before August 31, 2016.

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. 46/16
issued by The Public Utilities Board

Acting Secretary