

**Order No. 49/16**

**MUNICIPALITY OF RUSSELL BINSKARTH  
SURCHARGE TO RECOVER DEBENTURE SERVICING COSTS  
EFFECTIVE DECEMBER 31, 2016**

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**April 11, 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 hereby approves the utility surcharge to recover debenture servicing costs previously approved in Board Order No. 94/15. The surcharge is to recover the debenture servicing costs for a supply well project for the Russell Utility, located in the Municipality of Russell Binscarth.

The surcharge is approved effective December 31, 2016, and will be charged in addition to the Utility rates approved in Board Order No. 69/14. This surcharge is to be in effect for the length of the debenture, a period of twenty (20) years.

The approved surcharge rates are shown below:

<b>ANNUAL SURCHARGE BASED ON WATER -VOLUME SALES</b>				
<b>Utility</b>	<b>Total Borrowing (3.68% p.a)</b>	<b>Annual debenture payment</b>	<b>Est. annual water sales (1,000 gallons)</b>	<b>Annual Surcharge (per 1,000 gallons)</b>
Russell Utility	\$500,000	\$35,755.96	34,200	\$1.05

## Application

On September 3, 2015, the Municipality of Russell Binscarth (Municipality) applied to the Public Utilities Board (Board) for the approval in principle of a utility surcharge to fund debenture payments which were anticipated as a result of a supply well project for the Russell Utility (Utility), located in the Municipality.

In Board Order No. 94/15, the Municipality was given approval to assess a surcharge on utility bills to recover the debenture payments, in principle, and ordered to submit the final amounts for approval before charging the ratepayers.

The debenture servicing cost has now been finalized and provided along with the By-law No. 26/01/16 which has received third and final reading. The Board has reviewed the file and is prepared to finalize the surcharge.

The annual debenture servicing cost for the supply well project was originally estimated to be \$42,711 to be recovered through a surcharge of \$1.25 (per 1,000 gallons). The final cost submitted for recovery is \$35,755.96 to be recovered at \$1.05 (per 1,000 gallons).

## Board findings

The Board confirms as final the debenture surcharge as submitted by the Municipality of Russell Binscarth, to be collected over a period of twenty (20) years.

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](http://www.pub.gov.mb.ca).

**IT IS THEREFORE ORDERED THAT:**

1. The Municipality of Russell Binscarth- Russell Utility debenture surcharge, as set out in Schedule "A" to this Order, BE AND IS HEREBY APPROVED to be effective December 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. 49/16  
issued by The Public Utilities Board

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Acting Secretary

**SCHEDULE "A"  
TO BOARD ORDER NO. 49/16  
Municipality of Russell Binscarth  
Debenture Surcharge  
By-Law No. 26/01/16**

<b>ANNUAL SURCHARGE BASED ON WATER -VOLUME SALES</b>				
<b>Utility</b>	<b>Total Borrowing (3.68% p.a)</b>	<b>Annual debenture payment</b>	<b>Est. annual water sales (1,000 gallons)</b>	<b>Surcharge (per 1,000 gallons)</b>
Russell Utility	\$500,000	\$35,755.96	34,200	\$1.05