

Order No. 60/20

**ORDER RESPECTING
THE CITY OF STEINBACH
REQUEST TO REVIEW AND VARY
BOARD ORDER NO. 27/18
CITY OF STEINBACH
WATER AND WASTEWATER UTILITY RATES
APRIL 1, 2018, JANUARY 1, 2019 AND 2020**

APRIL 22, 2020

BEFORE: Carol Hainsworth, C.B.A., Panel Chair
Michael Watson, Member
Shawn McCutcheon, Member

1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves the City of Steinbach's (City) request to vary the effective dates for rates previously set in Board Order No. 27/18 for the City of Steinbach Water and Wastewater Utility (Utility).

The Board approves revised rates to be reflected on the next quarterly billing, effective April 1, 2018, January 1, 2019, and January 1, 2020.

Rationale for the Board's decisions may be found under Board Findings below.

2.0 Background

This Board Order is best read in conjunction with Board Order No. 27/18 and Board Order No. 107/13.

In Board Order No. 107/13, issued September 10, 2013, the Board approved revised water and wastewater rates for the Utility. Rates were approved to be reflected on the next quarterly billing, effective October 1, 2013, January 1, 2014, January 1, 2015, and January 1, 2016.

In Board Order No. 27/18, issued February 20, 2018, the Board approved revised water and wastewater rates for the Utility. Rates were approved to be effective April 1, 2018, January 1, 2019, and January 1, 2020.

3.0 Application

On March 3, 2020, the City submitted a request that the Board review its decision made in Board Order No. 27/18 and revise the effective date of the revised rates to read: "Revised rates are to be reflected on the next quarterly billing, effective April 1, 2018, January 1, 2019, and January 1, 2020." On April 8, 2020, the City also provided a Council Resolution supporting the request to the Board.

The City advised, in its request, it continued billing practices in accordance with the previous Board Order No. 107/13 by billing revised rates to customers on the April 1, 2018 bill as opposed to in accordance with the directive from Board Order 27/18, that revised rates are to be effective April 1, 2018 and therefore should not have been charged until the next bill on July 1, 2018.

The City has requested the above-noted variance due to manual calculations and adjustments required to be processed for all Utility customers, advising requisite adjustments would require significant amounts of time, effort, and additional cost to the Utility. The City further advises, the additional cost burden of any rebates to customers would be negated by the additional cost burden to the Utility.

4.0 Board Findings

The Board has reviewed the City's request and finds the City incorrectly applied the effective dates of the revised rates approved by the Board in Board Order No. 27/18.

The Board also finds the incorrect application of the approved rates, as conducted by the City, is the equivalent of a retroactive rate increase to customers. In general, the Board is not supportive of retroactive rate increases as they fail to allow customers time to adjust their consumption habits and are often not in the best interest of all utility stakeholders.

The Board notes it is a Utility's responsibility to review all directives included in Public Utilities Board Orders and follow them accordingly. The Board reminds the City, these directives carry the same weight as if they were decisions made by the Court of Queen's Bench. A failure to comply with these directives is the equivalent of disregarding such decisions, as if made in a court of law.

The City has advised the Board the administrative costs associated with the rectification of billing errors (both credits to customers and amounts owing by customers) would offset and perhaps exceed any rebates owed to customers, thus negating any financial benefit to the customers who would be entitled to rebates.

Given any financial benefit to customers would be offset or exceeded by costs to the Utility, the Board finds sufficient rationale to vary its decision from Board Order No. 27/18 on a one-time basis, and approves the City's request that revised rates are to be reflected on the next quarterly billing, effective April 1, 2018, January 1, 2019, and January 1, 2020.

The Board recommends the City contact Board staff immediately should it have any questions or require any clarification regarding Board Orders.

The Board directs the City to review all Board Orders and directives contained therein, and ensure they are followed completely and correctly. The Board also reminds the City the Board has it within its authority to fine utilities up to \$100.00 per day for non-compliance.

5.0 IT IS THEREFORE ORDERED THAT:

1. The request by the City of Steinbach, City of Steinbach Water and Wastewater Utility, to vary the effective dates of revised rates in Board Order No. 27/18 BE AND IS HEREBY APPROVED.
2. The revised water rates for the City of Steinbach, City of Steinbach Water and Wastewater Utility are to be reflected on the next quarterly billing, effective April 1, 2018, January 1, 2019, and January 1, 2020.

Fees payable upon this Order – \$150.00

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. The Board's Rules may be viewed on the Board's website at www.pubmanitoba.ca.

THE PUBLIC UTILITIES BOARD

"Carol Hainsworth, C.B.A."
Panel Chair

"Frederick Mykytyshyn"
Assistant Associate Secretary

Certified a true copy of Order No. 60/20 issued
by The Public Utilities Board


Assistant Associate Secretary