

M A N I T O B A                    )     Order No. 145/08  
  )  
THE PUBLIC UTILITIES BOARD ACT    )     October 23, 2008

BEFORE:   Graham Lane, CA, Chairman  
           Monica Girouard, CGA, Member  
           Susan Proven, P.H.Ec., Member

THE RURAL MUNICIPALITY OF WEST ST. PAUL  
LOCAL IMPROVEMENT DISTRICT No. 5  
(RIVER'S EDGE SUBDIVISION)  
INTERIM SEWER RATES

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**Introduction**

By this Order, the Public Utilities Board (Board) varies an application from the Rural Municipality of West St. Paul (RM) and:

- a) as requested, declare the sewer system serving the Local Improvement District No. 5 (River's Edge Subdivision) a public utility; and
- b) approves initial and interim annual sewer rates of \$355.00 per year.

**Application**

The RM applied to the Board to declare the newly acquired sewer system a public utility and establish initial and interim annual rates.

In support of the Application, the RM filed By-law No. 13/2008 and a rate study.

The RM will assume ownership of the sewer system from the developer upon receipt of the Final Certificate of Approval. The RM has and will continue to incur operating expenses for the system to the end of 2008 (\$6,019.85 was paid from June to September, 2008); to-date, no assessment has been made on ratepayers to offset the expense.

The RM's requested interim rates were projected to recover the annual operating costs of the new utility - the costs were estimated at \$34,350 and included administration and operating

costs of \$850 and \$33,500, respectively. Included in operating costs were contingency allowances of \$3,000 for sewage treatment costs and \$2,500 for sewage collection costs.

The RM advised that it will file a revised rate study with the Board by January 31, 2009, and that study will employ actual results for 2008. The RM will seek the Board's determination at that time as to whether the interim rates are adequate.

The RM proposed that the sewer rate be charged against the owners of each of the building lots (97) in the Subdivision, which was reported as being largely sold with homes either built or under construction.

The RM proposed that the rates take effect immediately, so as to begin recovering costs for 2008 operating expenses so as to avoid an operating deficit for 2008.

#### **Board Findings**

The Board accepts the application and will declare the sewer system a public utility. However, the Board will revise the application and establish interim rates of \$177.50 for 2008, to be billed immediately, and an annual rate of \$355.00 to be effective for 2009. The 2009 rate will be reconsidered following the RM filing the rate study, to be filed by January 31, 2009.

The Board accepts the RM's estimates for annual operating costs, and agrees that recovery of such costs from each of the building lots is reasonable.

The interim rates to be established are just and reasonable, and are necessary to offset current and ongoing operating costs. As the RM has been meeting the operating expenses of the utility since June 2008, the Board will approve an interim rate of \$177.50 that being equal to a half of the annual rate proposed.

The RM is to provide Notice to the lot owners of the Board's decision, and in that notice advise that the interim rates will be reconsidered by the Board following the RM's submission of the planned rate study. The Notice is to be pre-approved by the Board and invite ratepayers to advise the Board of any comments or concerns, this by no later than February 12, 2009. As well, the Notice is to advise that details of the Application can be obtained from the RM and that this Order may be viewed on the Board's website, [www.pub.gov.mb.ca](http://www.pub.gov.mb.ca).

**IT IS THEREFORE ORDERED THAT:**

1. The sewer system serving Local Improvement District No. 5 (River's Edge Subdivision) in the Rural Municipality of West St. Paul is declared a public utility.
2. Interim rates of \$177.50 for 2008 and an annual rate of \$355.00 for 2009 BE AND IS HEREBY APPROVED, on an Interim Ex Parte Basis.
3. The Rural Municipality of West St. Paul file an updated rate study by January 31, 2009 together with comment as to whether the interim rates are adequate.

4. The Rural Municipality of West St. Paul amend By-law No. 13/2008 to agree with this Order.
5. The Rural Municipality of West St. Paul provide notice to lot owners of this decision as indicated herein.

Fees payable upon this Order - \$150.00.

THE PUBLIC UTILITIES BOARD

"GRAHAM LANE, CA"

Chairman

"G.O. BARRON, FCGA"

Acting Secretary

Certified a true copy of Order No.  
145/08 issued by The Public  
Utilities Board

Acting Secretary