

M A N I T O B A) Order No. 92/08
)
THE PUBLIC UTILITIES BOARD ACT) July 2, 2008

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

THE TOWN OF LAC DU BONNET
WATER AND SEWER RATES
AMENDMENT TO BY-LAW 68-07 (TANCO SUBDIVISION)

Application

The Town of Lac du Bonnet (Town) advised the Public Utilities Board (Board) that Order 111/07 did not include a sewer charge for the provision of sewer service to properties located outside the Town's boundaries (to residents located in the Tanco Subdivision). Order 111/07 approved revised water and sewer rates for the Town for 2008 and 2009.

In 2007, the Rural Municipality of Lac du Bonnet (RM) paid \$1,110.55 to the Town for sewer services, based on 1994 rates (as a revised rate had not been provided for in Order 111/07. The charge includes a quarterly service charge for each of 19 residents, and is based on the assumption that each resident uses 56 cubic meters of water per quarter (all these customers are residential).

Board Findings

While specific rates for the Tanco Subdivision were not stated in Order 111/07, the Order noted that the Board:

"k) recommends the Town review its approach to billing Tanco customers, to best ensure those customers are bearing a reasonable charge for the sewer services they receive from the Town"

While such a review has not yet been filed, continuation of 1994 rates for the Tanco Subdivision, while other customers pay the revised higher sewer rates, is unfair.

The exclusion of revised rates for the Tanco Subdivision was an oversight and the higher sewer rates approved for

the Town residents should have been reflected in revised rates for Tanco Subdivision customers. This Order corrects the oversight.

However, in reviewing the existing rate the Board has determined that only a single service charge should be assessed, as the RM is billed only once annually. Further, collection has not been an issue for the Town. Based on a single service charge, the revised sewer rate is calculated as follows:

	2008	2009
Sewer Charge	\$ 12.80	\$ 13.18
Commodity Charge	<u>\$1,276.80</u> ⁽¹⁾	<u>\$1,319.36</u> ⁽²⁾
Total	<u>\$1,289.60</u>	<u>\$1,322.54</u>

⁽¹⁾ 56 cubic meters x 4 quarters x 19 customers x \$0.30 sewer rate

⁽²⁾ 56 cubic meters x 4 quarters x 19 customers x \$0.31 sewer rate

The Town will be required to pass an amending By-law to include the following clause:

"The Rural Municipality of Lac du Bonnet shall remit to the Town of Lac du Bonnet the sum of \$1,289.60 in 2008 and \$1,322.54 in 2009 for sewer service provided to the 19 residents of the Tanco Subdivision. Such rates will continue thereafter until amended by the Board."

The Board awaits the Town's response to the Board's recommendation in Order 111/07 and notes that upon receipt a further adjustment may be required as there may be a need to consider a surcharge to recover part of the debenture debt cost of the Utility.

IT IS THEREFORE ORDERED THAT:

1. The Town of Lac du Bonnet's By-law No. 68/07 BE AMENDED by adding the following clause.

"The Rural Municipality of Lac du Bonnet shall remit to the Town of Lac du Bonnet the sum of \$1,289.60 in 2008 and \$1,322.54 in 2009 for sewer service provided to the 19 residents of the Tanco Subdivision. Such rates will continue thereafter until amended by the Board."

2. The Town of Lac du Bonnet file a copy of the amending By-law with the Public Utilities Board once passed.

Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

Chairman

Acting Secretary