

MANITOBA ) Order No.143/13  
 )  
THE PUBLIC UTILITIES BOARD ACT ) December 2, 2013

BEFORE: Susan Proven, P.H.Ec., Acting Chair  
Marilyn Kapitany, B.Sc. (Hons.), M.Sc., Member

TOWN OF GILBERT PLAINS  
WATER AND SEWER UTILITY  
INTERIM WATER and SEWER RATES  
DECEMBER 2, 2013

**Summary**

By this Order, the Public Utilities Board (Board) approves, on an interim *ex parte* basis, water and sewer rates applied for by the Town of Gilbert Plains Water and Sewer Utility (Utility).

The new rates are to be effective January 1, 2014. The approved rates are shown below.

	<b>Current</b>	<b>Proposed</b>	<b>Increase/ Decrease</b>
Quarterly Service Charge	\$11.55	\$20.00	73%
Water \$/per 1,000 gallons	\$17.00	\$20.00	17.65%
Sewer \$/per 1,000 gallons	\$0.90	\$2.90	222%
Minimum Quarterly* Water and Sewer	\$65.25	\$88.70	36%
Bulk Water** \$/per 1,000 gallons	\$17.00	\$20.00	17.65%
Reconnection Fee	\$35.00	\$35.00	0.00%

\*Based on 3,000 gallons

\*\*Minimum charge \$1.00 per 50 gallons

Details of other rates may be found in the attached Schedule "A".

## **Application**

The Town of Gilbert Plains (Town) applied on September 16, 2013 for revised water and sewer rates for the Utility. The application was accompanied by a rate study prepared by the Town and By-law No. 2013-06 having received 1<sup>st</sup> reading on June 11, 2013.

A Notice of the Application was issued on September 30, 2013. There were no stakeholder responses to the Notice.

On November 18, 2013 the Town requested that the Board consider approving the rates as applied for on an interim *ex parte* basis. The Town also requested that the rates be effective October 1, 2013. **In the case of the Town of Gilbert Plains, the Board found it is in the best interest of ratepayers to set interim rates, to provide relief from further operating deficits.**

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.

**Application**

The application included the following budgeted expenditures.

	2014	2015	2016
General			
Administration	40,000	40,800	41,616
<b>Total</b>	<b>40,000</b>	<b>40,800</b>	<b>41,616</b>
<b>Deficit Recovery for 2011</b>			
Surcharges	1,680	1,713	1,747
Penalties	1,200	19,755	20,150
Service Charges	19,368	1,224	1,248
<b>Net revenue general</b>	<b>22,248</b>	<b>22,692</b>	<b>23,145</b>
<b>Net costs general</b>	<b>17,752</b>	<b>18,108</b>	<b>18,471</b>
Staffing	40,000	40,800	41,616
Purification and treatment	4,590	4,682	4,775
Transmission and Distribution	10,200	10,404	10,612
Water purchases	135,660	138,373	141,141
Other Water Supply Costs	5,100	5,202	5,306
Amortization/ depreciation	57,793	58,949	60,128
Int on long term debt	10,404	0	0
Reserves	14,000	14,000	14,000
Minor Capital Upgrades	40,000	0	40,000
Contingency	20,000	20,000	20,000
<b>Sub-total- water expenses</b>	<b>337,747</b>	<b>292,410</b>	<b>337,578</b>
Hydrant Rentals	3,675	3,749	3,823
Other Revenue	1,500	1,530	1,561
Connection Revenue	3,000	3,060	3,121
Investment Income	3,120	3,182	3,246
<b>Total non-rate revenue - water</b>	<b>11,295</b>	<b>11,521</b>	<b>11,751</b>
<b>Net rate revenue - water</b>	<b>326,452</b>	<b>280,889</b>	<b>325,827</b>
Staffing	500	510	520
Sewage Collection System	1,000	1,020	1,040
Sewage Lift Station	3,000	3,060	3,121
Sewage Treatment and Disposal	1,000	1,020	1,040
Other Sewage Collection & Disposal Costs	750	765	780
Reserves (rate study appendix 5.2)	18,000	18,000	18,000
Connection -Net loss	5,000	5,100	5,202
<b>Total sewer expenses</b>	<b>29,250</b>	<b>29,475</b>	<b>29,705</b>

## **Board Findings**

The Board will, on an interim *ex parte* basis, approve water and sewer rates as applied for by the Town.

In the case of the Town of Gilbert Plains, the Board found it is in the best interest of ratepayers to set interim rates, to mitigate further operating deficits.

However, given the Notice of Application was issued on September 30, 2013, an effective date of October 1, 2013 does not allow customers any opportunity to adjust their consumption patterns. Therefore, the Board will make the interim rates effective January 1, 2014, and will require the Town to provide notice of the increase to its customers.

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. Revised water and sewer rates effective January 1, 2014, as shown on Schedule "A" attached to this Order for the Town of Gilbert Plains BE AND ARE HEREBY APPROVED.
2. The Town of Gilbert Plains shall provide immediate notice to its customers, with a copy to the Public Utilities Board, of the interim rate increases and the rationale.
3. The Town of Gilbert Plains file a copy of By-law No. 2013-06 with the Public Utilities Board, once it has received third and final reading.
4. The Town of Gilbert Plains provide the Public Utilities Board with audited financial statements for 2012 as soon as they are finalized.

Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

"SUSAN PROVEN, P.H.Ec."  
Acting Chair

"JENNIFER DUBOIS, CMA"  
Acting Secretary

Certified a true copy of  
Order No. 143/13 issued by  
The Public Utilities Board

\_\_\_\_\_  
Acting Secretary

**SCHEDULE "A"**  
**TO BOARD ORDER NO. 143/13**  
**THE TOWN OF GILBERT PLAINS**  
**WATER AND SEWER RATES**

**BY-LAW NO. 2013-06**

SCHEDULE OF QUARTERLY RATES:

1. Commodity Rates per 1,000 Imperial Gallons

	<u>Water</u>	<u>Sewer</u>	<u>Water &amp; Sewer</u>
Domestic /Single Step Rate per Quarter	\$20.00	\$2. 90	\$22.90

2. Minimum Charges, Quarterly

Notwithstanding the commodity rates set forth in paragraph 1 hereof, all customers will pay the applicable minimum charge set out below, which will include a single step rate with a minimum quarterly charge of 3,000 gallons.

(a) Water and Sewer Customers

Meter Size	Consumption (gallons)	Service Charge	Commodity Rates		Minimum Quarterly Charges
			Water	Sewer	
5/8" (16mm)	3,000	20.00	60.00	8.70	88.70
3/4" (19mm)	6,000	20.00	120.00	17.40	157.40
1" (25mm)	12,000	20.00	240.00	34.80	294.80
1 1/2" (38mm)	30,000	20.00	600.00	87.00	548.55
2 "(50mm)	75,000	20.00	1,500.00	217.50	1,737.50
4" (100mm)	75,000	20.00	1,500.00	217.50	1,737.50

(b) Water Only Customers

Customers with water only services shall be charged the minimum quarterly rate applicable to the customer's meter size less the sewer charge.

3. Bulk Sales Rate

All water sold in bulk by The Town of Gilbert Plains shall be charged for at the rate of \$20.00 per 1,000 gallons with minimum charge of \$1.00 per 50 gallons.

4. Service To Customers outside Town Limits

The Council of The Town of Gilbert Plains may sign agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries of the Town. Such agreements shall provide for payment of the appropriate rates set out in the Schedule, as well as the surcharge set by resolution of Council, which shall be equivalent to the frontage levy, general taxes and special taxes for the utility purposes in effect at the time, or may be in effect from time to time, and which would be levied on the property concerned if it were within those boundaries. In addition, all cost of connecting to the utility's mains and installing and maintaining service connections will be paid by the customer.

5. Billing And Penalties

Accounts shall be billed quarterly, and shall be due and payable 14 days after date of billing. A penalty of 1 ¼ % of the amount of the bill shall be added if not paid by the due date.

6. Disconnection –By-law

The Public Utilities Board has approved Conditions Precedent to be followed by the municipality with respect to the disconnection of service for non-payment including such matters as notice and the right to appeal such action to the Public Utilities Board. A copy of the Conditions Precedent is available for inspection at the office Municipal Office.

7. Reconnection

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and reconnection fee of \$35.00 have been paid. Any customer wishing to have billing disconnected due to vacancy of premises shall be required to have service disconnected and to pay \$35.00 reconnection fee when service resumes.

8. Outstanding Bills

Pursuant to section 252(2) of *The Municipal Act*, the amount of all outstanding charges for water and sewer service may be collected by the municipality in the same manner as a tax may be collected or enforced under this Act.