

M A N I T O B A) Order No. 61/13
)
THE PUBLIC UTILITIES BOARD ACT) May 31, 2013

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

TOWN OF POWerview-PINE FALLS
WATER AND SEWER UTILITY
INTERIM WATER and SEWER RATES

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 Powerview-Pine Falls Water and Sewer Utility (Utility).

The interim rates are to be effective on April 1, 2013.

The approved rates are shown below.

	Current	April 1, 2013	Increase/Decrease	April 1, 2014	Increase/Decrease
Quarterly Service Charge	\$7.75	\$8.05	3.87%	\$8.05	0.00%
Water- \$/per cubic meter	\$1.01	\$1.35	33.66%	\$1.83	35.56%
Sewer- \$/per cubic meter	\$0.15	\$0.29	93.33%	\$0.45	55.17%
Water and Sewer Minimum Quarterly*	\$23.99	\$31.01	29.26%	\$39.97	28.89%
Water Only (Metered) Minimum Quarterly*	\$21.89	\$26.95	12.34%	\$33.67	24.94%
Sewer Only (Unmetered) Minimum Quarterly**	\$18.51	\$28.84	55.65%	\$40.32	39.95%
Water Quarterly- Unmetered customers, including mobile homes**	\$80.17	\$104.85	15.32%	\$139.26	32.82%
Hydrant Rentals	\$100.00	\$100.00	0.00%	\$100.00	0.00%

*Includes 14m³

**Based on 71.7m³

Note: Deficit Surcharge of \$0.25 per cubic meter of water directed in Order 61/11 remains in effect for Pine Falls ratepayers.

Minimum quarterly charges for 2013 for meter sizes are approved as follows:

Meter size	Water Included (cubic meter)	Service Charge	Water	Sewer	Total Quarterly Minimum	Water Only Quarterly Minimum
5/8"	14	\$8.05	\$18.90	\$4.06	\$31.01	\$26.95
1"	56	\$8.05	\$75.60	\$16.24	\$99.89	\$83.65
1 1/2"	140	\$8.05	\$189.00	\$40.60	\$237.65	\$197.05
2"	350	\$8.05	\$472.50	\$101.50	\$582.05	\$480.55

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

Background

The Town of Powerview-Pine Falls (Town) applied in November 2012 for water and sewer rates for the Utility. The application was accompanied by a rate study prepared by the Town's consultant and By-law No. 10-12, which received 1st reading November 13, 2012.

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. The Board can also establish interim *ex parte* rates, which are rates that are subject to review following a more complete process.

In the case of Powerview-Pine Falls, the Board found it in the best interest of ratepayers to set interim rates on an *ex parte* basis. This was due to the fact that continuing with the current rates would likely result in a deficit for the Utility for the current year.

Application

The rates were determined based on the following budgeted expenditures:

2% inflation rate	Actual 2011	Budget 2012	2013	2014	2015
General					
Administration	28,252.00	7,800.00	18,942.00	19,320.84	19,707.26
Billing and collection	132.00	0.00	0.00	0.00	0.00
Penalties	2,165.00	2,000.00	2,040.00	2,081.00	2,122.00
Net revenue general	26,219.00	5,800.00	16,902.00	17,239.84	17,585.26
Purification and treatment	32,796.00	129,300.00	131,886.00	134,524.00	137,214.00
Transmission and Distribution	112,126.00	53,050.00	54,111.00	55,193.00	56,297.00
Other Water Supply Costs	10,427.00	3,000.00	3,060.00	3,121.00	3,184.00
Amortization/ depreciation	17,287.00	18,116.00	18,116.00	18,116.00	17,841.00
Service of Supply	8,384.00	27,000.00	27,540.00	28,091.00	28,653.00
Connection Costs	1,747.00	0.00	0.00	0.00	0.00
Sub-total- water expenses	182,767.00	230,466.00	234,713.00	239,045.00	243,189.00
Connection Revenue	152.00	0.00	0.00	0.00	0.00
Hydrant Rentals	5,100.00	5,100.00	5,100.00	5,100.00	5,100.00
Investment Income	1,113.00	1,000.00	1,020.00	1,040.00	1,061.00
Total non-rate revenue - water	6,365.00	6,100.00	6,120.00	6,140.00	6,161.00
Net rate revenue - water	176,402.00	224,366.00	228,593.00	232,905.00	237,028.00
Sewage Collection System	665.00	2,000.00	2,040.00	2,081.00	2,122.00
Sewage Treatment and Disposal	115.00	1,950.00	1,989.00	2,029.00	2,069.00
Other Sewage Collection & Disposal Costs	7,698.00	3,000.00	3,060.00	3,121.00	3,184.00
Lift Station Costs	15,251.00	21,000.00	21,420.00	21,848.00	22,285.00

Amortization/ depreciation	26,753.00	26,753.00	26,753.00	26,753.00	26,753.00
Net Rate Costs- Sewer	50,482.00	54,703.00	55,262.00	55,832.00	56,413.00
<i>Water and Sewer Billing</i>	187,569.00	234,500.00	246,443.00	361,052.00	361,052.00
<i>Rate Rider ward 2</i>	0.00	5,500.00	5,500.00	5,500.00	5,500.00
Net Revenue(Expenses)	-65,534.00	-44,869.00	-48,814.00	60,575.16	55,525.74
Amortization of capital grants	4,060.00	4,060.00	4,060.00	4,060.00	4,060.00
Net Operating Surplus/Deficit	-61,474.00	-40,809.00	-44,754.00	64,635.16	59,585.74

Board Findings

The Board will, on an interim *ex parte* basis, approve water and sewer rates as applied for by the Town effective April 1, 2013.

A Notice of the Application was issued on December 7, 2012.

There were no stakeholder responses to the Notice.

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. The Town of Powerview-Pine Falls By-law No. 12-10 BE AND IS HEREBY APPROVED on an interim *ex parte* basis, with the water and sewer rates to be effective April 1, 2013.

2. The Town of Powerview-Pine Falls file a copy of By-law No. 12-10, once it has received third and final reading.
3. The Town of Powerview-Pine Falls provide the Board with audited financial statements for 2010 and 2011 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.
61/13 issued by The Public
Utilities Board

Acting Secretary

SCHEDULE "A"
TO BOARD ORDER NO. 29/13
Town of Powerview-Pine Falls
Water and Sewer Rates
By-law No. 10-12

SCHEDULE OF QUARTERLY RATES

April 1, 2013

1. Rates per cubic meter

cubic meters per quarter

Water	Sewer	Total Water & Sewer
\$1.35	\$0.29	\$1.64

2. Minimum Charges per Quarter

Notwithstanding the rates set forth in paragraph 1, all customers will pay the applicable minimum charges set out below, which includes the water allowance as listed.

a. Water & Sewer Customers

Meter Size	Group Capacity Ratio	Water Included Cubic Meters	Customer Service Charge	Water Commodity Charge	Sewer Commodity Charge	Water & Sewer Total Quarterly Minimum	Water Only Quarterly Minimum
5/8 or 3/4 inch	1	14	\$8.05	\$18.90	\$4.06	\$31.01	\$26.95
1 inch	4	56	\$8.05	\$75.60	\$16.24	\$99.89	\$83.65
1 1/2 inch	10	140	\$8.05	\$189.00	\$40.60	\$237.65	\$197.05
2 inch	25	350	\$8.05	\$472.50	\$101.50	\$582.05	\$480.55

b. Metered Water Only Customers

Quarterly minimum charge is the same for each meter size as shown in table above, except that the Sewer Commodity charge is excluded.

c. Unmetered Water Only Customers

The quarterly commodity charge, based on 71.7 cubic meters (3.5 persons x 91 days x 225 l/person/day) of water per quarter plus the service charge shall be \$104.85.

d. Sewer Only Residential Customers

The quarterly commodity charge, based on 71.7 cubic meters, plus the service charge shall be \$28.84.

e. Ward Two (Pine Falls) Rate Rider for Deficit Recovery – PUB Order #61/11

All customers in Ward 2 (Pine Falls) shall pay an additional \$0.25 per cubic meter of water until such time as the actual deficit of \$59,924 incurred in the water and sewer utility arising from service to Ward Two (Pine Falls) customers for the years 2005 to 2008 inclusive is recovered.

SCHEDULE OF QUARTERLY RATES

January 1, 2014

1. Rates per cubic meter

cubic meters per quarter

Water	Sewer	Total Water & Sewer
\$1.83	\$0.45	\$2.28

2. Minimum Charges per Quarter

Notwithstanding the rates set forth in paragraph 1, all customers will pay the applicable minimum charges set out below, which includes the water allowance as listed.

a. Water & Sewer Customers

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included Cubic Meters</u>	<u>Customer Service Charge</u>	<u>Water Commodity Charge</u>	<u>Sewer Commodity Charge</u>	<u>Water & Sewer Total Quarterly Minimum</u>	<u>Water Only Quarterly Minimum</u>
5/8 or 3/4 inch	1	14	\$8.05	\$25.62	\$6.30	\$39.97	\$33.67
1 inch	4	56	\$8.05	\$102.48	\$25.20	\$135.73	\$110.53
1 1/2 inch	10	140	\$8.05	\$256.20	\$63.00	\$327.25	\$264.25
2 inch	25	350	\$8.05	\$640.50	\$157.50	\$806.05	\$648.55

b. Metered Water Only Customers

Quarterly minimum charge is the same for each meter size as shown in table above, except that the Sewer Commodity charge is excluded.

c. Unmetered Water Only Customers

The quarterly commodity charge, based on 71.7 cubic meters (3.5 persons x 91 days x 225 l/person/day) of water per quarter plus the service charge shall be \$139.26.

d. Sewer Only Residential Customers

The quarterly commodity charge, based on 71.7 cubic meters, plus the service charge shall be \$40.32.

e. Ward Two (Pine Falls) Rate Rider for Deficit Recovery – PUB Order #61/11

All customers in Ward 2 (Pine Falls) shall pay an additional \$0.25 per cubic meter of water until such time as the actual deficit of \$59,924 incurred in the water and sewer utility arising from service to Ward Two (Pine Falls) customers for the years 2005 to 2008 inclusive is recovered.

Clauses 3 to 16 are Effective April 1, 2013

3. Service to Customers outside Town of Powerview-Pine Falls limits

The Council of the Town of Powerview-Pine Falls 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 a surcharge, set by resolution of Council which shall be equivalent to the frontage levy, general taxes and special taxes for 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 these boundaries. In addition, all costs of connection to the Utility's mains and installing and maintaining service connections will be paid by the customer.

4. Billings and Penalties

Accounts shall be billed quarterly based on water used. A late payment penalty charge of 1 ¼% compounded monthly shall be charged on the dollar amount owing after the billing due date. The due date will be at least twenty (20) days after the mailing of the bills.

5. Disconnections

The Public Utilities Board has approved the Conditions Precedent to be followed by the Town 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 Town office.

6. Reconnection

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$50.00 have been paid.

7. Outstanding Bills

Pursuant to Section 252(2) of the Municipal Act, the amount of all outstanding charges for water and sewer services, including fines and penalties, are a lien and charge upon the land serviced, and shall be collected in the same manner in which ordinary taxes upon the land are collectible, and with like remedies. Where charges and penalties pursuant to this by-law are not paid within sixty (60) days from the date when they were incurred, said charges and penalties shall be added to the taxes on the property and collected in the same manner as other taxes.

8. Hydrant Rentals

The Town will pay to the Utility an annual rental of \$100.00 for each hydrant connected to the system which includes the cost of water for fire fighting.

9. Sewage Surcharges

- (a) There may be levied annually, in addition to rates set forth above, a special surcharge on sewage having a Biochemical Oxygen Demand in excess of 300 parts per million, to be set by resolution of Council.
- (b) A special surcharge for substances requiring special treatment shall be charged based on the actual costs of treatment required for the particular sewage or industrial wastes.

10. Meter Testing

Any customer wishing to have a meter tested for accuracy will pay in advance a fee of \$50, plus any applicable meter testing costs. In the event the meter tests prove that the meter is recording water flows in excess of actual flows, the meter testing fee and associated costs will be refunded to the customer and the customer's account will be reviewed and adjusted accordingly.

11. Meter Tampering

Where there is evidence of meter tampering a minimum charge of \$500 will be applied to the customer's account in addition to an amount calculated to adjust for the tampering based on historical usage.

12. Cross Connections

No customer or person shall connect, cause to be connected or allow to remain connected any piping, fixture, fitting, container or appliance in a manner which under any circumstances may allow water, wastewater or any harmful liquid or substance to enter the Town's water system.

If a condition is found to exist, which in the opinion of the Town, is contrary to the aforesaid, the Town may either:

- Shut off the service or services; or
- Give notice to the customer to correct the fault at his or her own expense within a specified time period. If the customer fails to comply with such notice the Town shall proceed in accordance with clause 1 of this section.

13. Authorization for Officer to Enter Upon Premises

The Public Works Foreman, or other employee authorized by the Town in the absence of the Public Works Foreman, shall be authorized to enter upon any premise for the purpose of:

- affixing to any pipe, wire or apparatus connected with any such utility, a meter or any other measuring or testing device; or
- taking readings from, repairing, inspecting or removing any meter or apparatus belonging to the Town.

14. Meter Installations

The Town will install meters in all presently flat rated customer buildings with the cost of the meter and installation fee of same borne by a onetime set fee to the customer.

15. Change of Water or Water & Sewer

That a charge for change of water and/or sewer to recover the cost of completing the change of user or service, for a service that has changed users or service, shall be \$25.00

16. Actual Turn Off/On of Water Service

That the charge for physically turning off, or on, a water service shall be \$50.00