

M A N I T O B A) Order No. 102/14
)
THE PUBLIC UTILITIES BOARD ACT) September 16, 2014

BEFORE: Susan Proven, P.H.Ec, Acting Chair
The Hon. Anita Neville, P.C., B.A. (Hons.), Member

ORDER VARYING BOARD ORDER No. 121/13
FOR
TOWN OF BIRTLE
WATER AND SEWER RATES

Summary:

The Public Utilities Board (Board) varies Board Order No. 121/13 to change the residential equivalency units (REUs) to consumption based rates for the Town of Birtle, effective October 1, 2014.

Details of the rates are attached as Schedule "A".

Background:

On October 11, 2013 the Board issued Order No. 121/13 setting water and sewer rates effective October 1, 2013, January 1, 2014 and 2015. Rates were set based on residential equivalency units (REUs), one REU being the volume of water estimated to be used by the average single family residence. Units allocated to other customers are based on estimated water they will use, as compared with a residence. REUs are used in communities with unmetered distribution and collection systems, where information regarding actual consumption is unavailable.

The Town submitted a request on August 27, 2014 to amend Board Order No. 121/13. This was followed by Council Resolution #2014 119, dated September 9, 2014. The Town had recently completed a project to install meters throughout the community, and requested the Board's approval to change their rates from REU's to actual consumption. The Town provided notice to its customers of its intention to proceed with this application in the August 1, 2014 billing.

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The Town based the revised rates on the same expenses that were reviewed and approved on Board Order No. 121/13, and provided the 2012 consumption rate used to calculate the revised rates.

	2013	2014	2015
Net costs - general	\$ 17,900	\$ 18,500	\$ 19,118
Water rate revenue requirement	\$ 231,404	\$ 237,014	\$ 242,778
Sewer rate revenue requirement	\$ 39,400	\$ 40,198	\$ 41,020
Customers	291	291	291
2013 water produced (1,000 gal)	28,900	28,900	28,900
Quarterly service charge		\$ 15.89	\$ 16.42
Water commodity		\$ 8.20	\$ 8.40
Sewer commodity		\$ 1.39	\$ 1.42

Board Findings:

The Board approves the Town's request to review and vary Board Order No. 121/13, and will revise the rates to remove the residential equivalency units and replace them with rates charged based on the volume of gallons used by the customer.

The Board commends the Town for installing water meters in the community. Meters allow for users of the system to understand the true cost of the water they are consuming, and there are many grant programs in the Province of Manitoba which are only available to utilities that have meters. Meters also have historically lead to significant decreases in consumption, reportedly up to 35%. The Board will caution the Town to carefully track and assess the impact of any decreased consumption on the adequacy of the rates that have been set. If the rates are not meeting the revenue requirements of the utility, the Town should return to the Board with a new rate application.

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 (Rules). The Board's Rules may be viewed on the Board's website at www.pub.gov.mb.ca.

IT IS HEREBY ORDERED THAT:

1. Schedule "A" of the Public Utilities Board Order No.121/13 BE AND IS HEREBY VARIED as attached in Schedule "A" to this Order.

2. Revised water and sewer rates for The Town of Birtle BE AND ARE HEREBY APPROVED in accordance with the attached Schedule "A", effective October 1, 2014, January 1, 2015.

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. 102/14 issued by
The Public Utilities Board

Acting Secretary

Schedule "A"
Town of Birtle
Water & Sewer Rates

1. Commodity Rates per 1,000 Gallons:

	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
Effective October 1, 2014	8.20	1.39	9.59
Effective January 1, 2015	8.40	1.42	9.82

2. Minimum Charges, Quarterly

Notwithstanding the Commodity rates set forth in paragraph 1 hereof, all customers will pay the applicable minimum charges as set out below, which will include water allowances indicated:

a) Water & Sewer Customers

Effective October 1, 2014

<u>Meter Size</u>	<u>Water Inc Gallons</u>	<u>Customer Service Charge</u>	<u>Commodity Charges</u>		<u>Total Quarterly Minimum</u>
			<u>Water</u>	<u>Sewer</u>	
5/8"	3,000	\$ 15.90	\$ 24.60	\$ 4.17	\$ 44.67
3/4"	6,000	\$ 15.90	\$ 49.20	\$ 8.34	\$ 73.44
1"	12,000	\$ 15.90	\$ 98.40	\$ 16.68	\$ 130.98
1 1/4"	21,000	\$ 15.90	\$172.20	\$ 29.19	\$ 217.29
1 1/2"	30,000	\$ 15.90	\$246.00	\$ 41.70	\$ 303.60
2"	75,000	\$ 15.90	\$615.00	\$104.20	\$ 735.15

Effective January 1, 2015

Meter Size	Water Inc Gallons	Customer Service Charge	Commodity Charges		Total Quarterly Minimum
			<u>Water</u>	<u>Sewer</u>	
5/8"	3,000	\$ 16.45	\$ 25.20	\$ 4.26	\$ 45.91
3/4"	6,000	\$ 16.45	\$ 50.40	\$ 8.52	\$ 75.37
1"	12,000	\$ 16.45	\$100.80	\$ 17.04	\$ 134.29
1 1/4"	21,000	\$ 16.45	\$176.40	\$ 29.82	\$ 222.67
1 1/2"	30,000	\$ 16.45	\$252.00	\$ 42.60	\$ 311.05
2"	75,000	\$ 16.45	\$630.00	\$106.50	\$ 752.95

Note: All calculations are based on the following:

Total Water expenses:	2014	<u>\$237,014</u>	2015	<u>\$ 242,777</u>
Total water usage		28,900		28,900
Total Sewer expenses	2014	<u>\$ 40,198</u>	2015	<u>\$ 41,019</u>
Total sewage usage		28,900		28,900