

Order No. 18/17

**RURAL MUNICIPALITY OF ELLICE-ARCHIE
ST. LAZARE WATER AND WASTEWATER UTILITY
INTERIM *ex parte* WATER AND WASTEWATER RATES**

February 8, 2017

BEFORE: The Hon. Anita Neville, P.C., B.A. (Hons.), Acting Chair
Allan Morin, B.A., ICD.D, Member
Shawn McCutcheon, Member

Summary

By this Order, the Public Utilities Board (Board) approves, on an interim *ex parte* basis, water and wastewater rates applied for by the Rural Municipality of Ellice-Archie (RM) for the St. Lazare Utility water and wastewater utility (Utility).

The revised rates are to be effective July 1, 2017, and January 1, 2018 and 2019. The approved rates are shown below.

	Current By-law (02-04)	Proposed By-law (06-2016) Jul 1, 2017	Inc/ Dec	Proposed By-law (06-2016) Jan 1, 2018	Inc/ Dec	Proposed By-law (06-2016) Jan 1, 2019	Inc/ Dec
Current Charge per REU	\$37.88						
Water \$/cubic meter*	REU	\$1.91	N/A	\$2.65	39%	\$3.69	39%
Sewer \$/cubic meter*	REU	\$0.88	N/A	\$0.91	3%	\$0.94	3%
Quarterly Service Charge	\$7.00	\$7.21	3%	\$7.43	3%	\$7.68	3%
Minimum Quarterly Water and Wastewater**	REU	\$46.27	N/A	\$57.27	24%	\$72.50	27%
Minimum Quarterly Water Only**	REU	\$33.95	N/A	\$44.53	31%	\$59.34	33%
Bulk Water Fee \$/1,000 gallons	\$5.00	\$10.00	100%	\$13.00	30%	\$18.00	38%
Reconnection Fee	\$25.00	\$25.00	0%	\$25.00	0%	\$25.00	0%
Hydrant Rental (Annual)	\$75.00	\$75.00	0%	\$75.00	0%	\$75.00	0%

*Based on 14 cubic meters

**Previously charged by Residential Equivalency Unit (REU)

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

Background

The Rural Municipality of Ellice-Archie applied on December 1, 2016 for revised water and wastewater rates for the St. Lazare Utility. The application was accompanied by a rate study prepared by the RM's consultant and By-law No. 06-2016 having received 1st reading on November 8, 2016. Rates were previously set in 2004 by Board Order No. 75/04. On January 16, 2017 the RM requested interim *ex parte* rates, effective January 1, 2017.

When reviewing an application, the Board has at its disposal several approaches. It can hold a public oral hearing at which the applicant presents 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.

Where a municipality can show there is an urgent need for a rate increase and the Board determines it to be in the best interest of all parties, the Board may establish interim *ex parte* rates. These are rates typically approved as applied for without review and then subject to a Public Notice of Application and the Board's regular review process before being confirmed as final by Board Order. Since this process allows a municipality to temporarily circumvent the Board's review process, it is reserved for instances where a municipality can show there is a compelling argument to allow it. This is typically done by showing the Board that the utility is experiencing operating deficits and will continue to do so if revised rates aren't approved in an expedited manner.

Board Findings

The Board will, on an interim *ex parte* basis, approve water and wastewater rates as applied for by the RM. However, rather than making the rates retroactive to January 1, 2017 as requested by the RM, the Board will make the rates effective July 1, 2017, with subsequent increases to be effective January 1, 2018 and 2019.

The Board is not a proponent of retroactive rate increases, and find that the RM presented no evidence to support implementing them in this case. The RM's reasoning for requesting the interim rates was to allow the Utility to bill customers on a volume basis, rather than a flat rate, and the retroactive date was requested based on when the rate study was prepared, which has no bearing on the decision.

A retroactive rate increase would not give ratepayers the opportunity to adjust their consumption, and the RM has not demonstrated any urgency in requesting the interim rates, which might support their request. The Board is a proponent of the user-pay principle, and approves the interim rate request to allow for billing on consumption, and commends the RM for installing meters.

A Notice of the Application will be issued to inform the ratepayers of the increase and changes to billing methodology.

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 Rural Municipality of Ellice-Archie's application for revised water and wastewater rates for the St. Lazare Utility BE AND IS HEREBY APPROVED on an interim *ex parte* basis, with the water and wastewater rates to be effective July 1, 2017, January 1, 2018 and 2019.
2. The Rural Municipality of Ellice-Archie-St. Lazare Utility file a copy of By-law No. 06-2016, once it has received third and final reading.
3. The Rural Municipality of Ellice-Archie-St. Lazare Utility provide notice to its customers.

Fees payable upon this Order – \$150.00

THE PUBLIC UTILITIES BOARD

"The Hon. ANITA NEVILLE, P.C., B.A. (Hons.)"
Acting Chair

"JENNIFER DUBOIS, CPA, CMA"
Acting Secretary

Certified a true copy of Order No. 18/17 issued
by The Public Utilities Board

Acting Secretary

1. Schedule of Commodity Rates & Quarterly Service Charge

July 1, 2017

per Cubic Meter

Water	Sewer	Water & Sewer
\$1.91	\$.88	\$2.79

Quarterly Service Charge \$7.21

2. Minimum Charges per Quarter

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

a. Water & Sewer Customers

Meter Size	Water Included C.M.	Quarterly Service Charge	Water Commodity Charge	Sewer Commodity Charge	Water & Sewer Quarterly Minimum Charge	Water Only Quarterly Minimum Charge
5/8 inch	14	\$7.21	\$26.74	\$12.32	\$46.27	\$33.95
¾ inch	28	\$7.21	\$53.48	\$24.64	\$85.33	\$60.69
1 inch	56	\$7.21	\$106.96	\$49.28	\$163.45	\$114.17
1 ½ inch	140	\$7.21	\$267.40	\$123.20	\$397.81	\$274.61
2 inch	350	\$7.21	\$668.50	\$308.00	\$983.71	\$675.71

b. Bulk Water Sales

All water sold in bulk will be charged at the rate of \$10.00 per 1,000 gallons.

1. Schedule of Commodity Rates & Quarterly Service Charge

January 1, 2018

per Cubic Meter

Water	Sewer	Water & Sewer
\$2.65	\$.91	\$3.56

Quarterly Service Charge \$7.43

2. Minimum Charges per Quarter

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

a. Water & Sewer Customers

Meter Size	Water Included C.M.	Quarterly Service Charge	Water Commodity Charge	Sewer Commodity Charge	Water & Sewer Quarterly Minimum Charge	Water Only Quarterly Minimum Charge
5/8 inch	14	\$7.43	\$37.10	\$12.74	\$57.27	\$44.53
¾ inch	28	\$7.43	\$74.20	\$25.48	\$107.11	\$81.63
1 inch	56	\$7.43	\$148.40	\$50.96	\$206.79	\$155.83
1 ½ inch	140	\$7.43	\$371.00	\$127.40	\$505.83	\$378.43
2 inch	350	\$7.43	\$927.50	\$318.50	\$1,253.43	\$934.93

b. Bulk Water Sales

All water sold in bulk will be charged at the rate of \$13.00 per 1,000 gallons.

1. Schedule of Commodity Rates & Quarterly Service Charge

January 1, 2019

per Cubic Meter

Water	Sewer	Water & Sewer
\$3.69	\$0.94	\$4.63
Quarterly Service Charge		\$7.68

2. Minimum Charges per Quarter

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

a. Water & Sewer Customers

Meter Size	Water Included C.M.	Quarterly Service Charge	Water Commodity Charge	Sewer Commodity Charge	Water & Sewer Quarterly Minimum Charge	Water Only Quarterly Minimum Charge
5/8 inch	14	\$7.68	\$51.66	\$13.16	\$72.50	\$59.34
¾ inch	28	\$7.68	\$103.32	\$26.32	\$137.32	\$111.00
1 inch	56	\$7.68	\$206.64	\$52.64	\$266.96	\$214.32
1 ½ inch	140	\$7.68	\$516.60	\$131.60	\$655.88	\$524.28
2 inch	350	\$7.68	\$1,291.50	\$329.00	\$1,628.18	\$1,299.18

b. Bulk Water Sales

All water sold in bulk will be charged at the rate of \$18.00 per 1,000 gallons.

The Following Clauses take effect July 1, 2017

5. Hydrant rentals: The Municipality will pay to the Utility an annual rental of \$75.00 for each hydrant connected to the system.

6. Billing and Penalties: Accounts shall be billed quarterly, and shall be due and payable 30 days after date of billing. A late payment charge of 1.25% per month shall be charged on the dollar amount owing after the billing due date.

7a Disconnection: The Public Utilities Board has approved the Conditions Precedent to be followed by the Village 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 municipal office.

7b Reconnection: Any Service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$25.00 has been paid.

8. Outstanding Bills: Pursuant to Section 252(2) of The Municipal Act, the amount of all outstanding charges for water and sewer service are a lien and charge upon the land serviced, and shall be collected in the same manner in which ordinary taxes upon land are collectible, and with like remedies.