

Order No. 23/17

**AN ORDER RESPECTING COMPLAINT FILED BY HUSKY OIL LIMITED
AGAINST THE TOWN OF MINNEDOSA**

February 15, 2017

BEFORE: Robert Gabor, Q.C., Chair

1.0 Executive Summary

By this Order, the Manitoba Public Utilities Board (Board or PUB) directs the Town of Minnedosa (Town) as follows:

1. Provide a detailed response to the letter dated January 30, 2017 from Bennett Jones LLP, on behalf of Husky Oil Limited (Husky) to the Public Utilities Board;
2. Provide the Board with a copy of the agreement between Husky and the Town with respect to Water Treatment Plant #2 Upgrade Infrastructure;
3. Advise the Board of its position in respect of how the total debenture cost is calculated and the amount of the total cost allocated to Husky;
4. Provide evidence of any agreement of Husky to pay the full cost of allocation; and
5. Document the interest rate charged from the outset of the debenture, any changes in the interest rate (including the date of such change) and the rate being recovered.

The Board will allow the Town until March 1, 2017 to submit this information to the Public Utilities Board. Once the Town's submission has been received, Husky will be provided the opportunity to respond. The Board will then take the matter under consideration and issue a final decision in response to Husky's complaint against the Town.

Rationale for the PUB's decisions may be found under "Board Findings".

2.0 Board Findings

The Public Utilities Board (PUB or Board) has received a series of letters from Bennett Jones LLP, lawyers for Husky Oil Limited (Husky) in relation to charges assessed by the Town of Minnedosa (the Town) to Husky for water and wastewater rates. The letters have also been copied to the Town of Minnedosa.

Husky, through its counsel in its January 30, 2017 letter to the PUB, has brought forward several matters for consideration

- It alleges that it is paying the full amount of the debenture surcharges for the Town's Water Treatment Plant #2 Upgrade Infrastructure and has requested that the Town provide evidence supporting the derivation of the debenture charge and the allocation of the debenture charge to Husky;
- It has requested that the PUB issue an Order setting the Town's current water and wastewater rates on an interim basis from the date of the Order onward, to ensure that such rates are "without prejudice" to Husky's ability to request a rate adjustment in the subsequent rate proceeding;
- It has requested that the PUB direct the Town to include, in its forthcoming rate application, a study on how unaccounted for water costs are quantified and allocated to ratepayers;

The Board has routinely taken the position that any concerns or complaints of a ratepayer are best handled directly with the utility. Husky has further alleged in its communications to the Board that it has attempted to discuss these matters with the Town but was advised that it should take its concerns to the Public Utilities Board. The Town has not responded to this allegation, therefore it appears in this instance the PUB must get involved.

In instances where the PUB must become involved in dispute resolution, the Board may assign costs to one or both parties.

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

3.0 IT IS THEREFORE ORDERED THAT:

- 1) The Town of Minnedosa provide a detailed response to matters raised in the letter dated January 30, 2017 from Bennett Jones LLP, on behalf of Husky Oil Limited (Husky) to the Public Utilities Board, on or before March 1, 2017;
- 2) The Town of Minnedosa provide the Public Utilities Board with a copy of the agreement between Husky and the Town with respect to Water Treatment Plant #2 Upgrade Infrastructure, on or before March 1, 2017;
- 3) The Town of Minnedosa advise the Public Utilities Board of its position in respect of how the total debenture cost is calculated and the amount of the total cost allocated to Husky, on or before March 1, 2017;
- 4) The Town of Minnedosa provide the Public Utilities Board with evidence of any agreement of Husky to pay the full cost of allocation, on or before March 1, 2017;
and
- 5) The Town of Minnedosa document the interest rate charged from the outset of the debenture, any changes in the interest rate (including the date of such change) and the rate being recovered, and provide this information to the Public Utilities Board on or before March 1, 2017.

Fees payable upon this Order - waived

THE PUBLIC UTILITIES BOARD

"ROBERT GABOR, Q.C."
Chair

"JENNIFER DUBOIS, CPA, CMA"
Acting Secretary

Certified a true copy of Order No. 23/17
issued by The Public Utilities Board

Acting Secretary