

**Order No. 26/21**

**RURAL MUNICIPALITY OF WALLACE-WOODWORTH  
WALLACE-WOODWORTH WATER AND WASTEWATER UTILITY  
INITIAL INTERIM *EX PARTE* UNTREATED BULK WATER RATES**

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**February 11, 2021**

**BEFORE: Irene Hamilton, Q.C., Panel Chair  
Carol Hainsworth, C.B.A., Member**

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## 1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves, on an interim *ex parte* basis, initial untreated bulk water rates applied for by the Rural Municipality Wallace-Woodworth (RM), Wallace-Woodworth Water and Wastewater Utility (Utility), effective the date of this Order.

The untreated bulk water rates are as follows:

	February 11, 2021	July 1, 2021	July 1, 2022
Bulk Water Rate – Untreated (per 1,000 gallons)	\$6.75	\$7.00	\$7.00

Rationale for the Board's decisions may be found under the Board Findings section below.

## 2.0 Background

The RM last had rates approved on June 17, 2019 in Board Order No. 81/19. At that time, the Board also approved the amalgamation of the former Kenton Water and Wastewater Utility, Rural Pipeline Water Utility, and the Wallace Water Utility. There were no untreated bulk water rates requested by the RM nor included in the RM's By-Law No. 04-2018.

In June 2020, the RM contacted the Board regarding a complaint from a citizen regarding rates being charged for untreated water not approved by the Board. Board staff advised the RM an application is required for untreated water rates and a corresponding approval of rates from the Board. At that time, the RM was charging \$6.75 per 1,000 gallons, but ceased charging the rate as soon as they were advised the untreated bulk water rate requires Board approval.

### 3.0 Application

On December 9, 2020, the RM applied to the Board for untreated bulk water rates, to be effective as soon as possible. The Utility last had rates approved in 2019 in Board Order No. 81/19 and there were no untreated water rates requested at that time. The RM advised there was to be no charge for untreated water at that time.

The Municipality also submitted Council Resolution #20/469 and By-Law No. 08-2020, having had first reading on November 10, 2020, to establish an untreated bulk water rate on an interim, *ex parte* basis, to be effective as soon as possible.

The requested rates were calculated based on the following cost projections, which includes an annual inflation rate of 2%:

	2023 Forecast
Metering System (to record volume of water purchased)	\$5,616
Utilities – Hydro	3,936
Repairs and Maintenance	8,358
Water Testing	35
Amortization (10 Years)	6,569
<b>Total Costs</b>	<b>\$24,514</b>

The requested rates are also based on a forecasted untreated water consumption of 3,900,000 gallons, provided by the RM public works foreman in conjunction with Manitoba Hydro.

#### 4.0 Board Findings

The Board has reviewed the RM's application, supporting cost forecasts, and supporting rate calculations. The Board notes the review of bulk water rates outside the context of a full rate study is not standard process. Revisions to bulk water rates alter revenues/expenses and therefore can directly influence utility rates to customers. In the Board's view, however, the RM has demonstrated in its supporting forecasts and calculations that the net result of the sale of untreated bulk water will result in revenues and related expenditures being equal and therefore be net cost neutral to the Utility.

The Board therefore approves on interim *ex parte* basis the initial interim untreated bulk water rates as applied for by the RM, to be effective February 11, 2021.

The Board notes that in some cases the Board can establish interim rates, which are rates that are subject to review following a more complete process, such as a rate application. When setting initial rates, the Board will often approve interim rates. These are then confirmed as final once there is sufficient information to provide accurate projections for rate setting purposes.

The Board directs the RM to monitor the new untreated bulk water rate approved in this Order accordingly and advise the Board if the approved rates do not effectively meet the forecasted revenue and expense requirements included in the RM's application.

The Board reminds the RM, in Board Order No. 81/19 it directed the RM to review its water and wastewater rates for the Wallace-Woodworth Water and Wastewater Utility for adequacy and file a report with the Board or submit an application for revised rates by no later than December 31, 2022. The Board directs the RM to include untreated bulk water rates in its review accordingly and in the RM's next full rate application and future applications to the Board.

## 5.0 IT IS THEREFORE ORDERED THAT:

1. The untreated bulk water rates for the Rural Municipality of Wallace-Woodworth, Wallace-Woodworth Water and Wastewater Utility, BE AND ARE HEREBY APPROVED on an interim ex parte basis in accordance with the attached Schedule A, effective February 11, 2021.
2. The Rural Municipality of Wallace-Woodworth review its water and wastewater rates for the Wallace Woodworth Water and Wastewater Utility and file a report with the Public Utilities Board and/or submit an application for revised rates by no later than December 31, 2022.

Fees payable upon this Order - \$150.00

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.pubmanitoba.ca](http://www.pubmanitoba.ca).

THE PUBLIC UTILITIES BOARD

"Irene Hamilton, Q.C."

Panel Chair

"Frederick Mykytyshyn"

Assistant Associate Secretary

Certified a true copy of Order No. 26/21 issued  
by The Public Utilities Board



Assistant Associate Secretary

**SCHEDULE A**  
**RURAL MUNICIPALITY OF WALLACE-WOODWORTH**  
**WALLACE WOODWORTH UTILITY**  
**UNTREATED BULK WATER RATE**  
**BY-LAW NO. 08-2020**

Effective February 11, 2021

All untreated water sold in bulk will be charged a rate of \$6.75 per 1,000 imperial gallons.

Effective July 1, 2021

All untreated water sold in bulk will be charged a rate of \$7.00 per 1,000 imperial gallons.

Effective July 1, 2022

All untreated water sold in bulk will be charged a rate of \$7.00 per 1,000 imperial gallons.