

Order No. 42/18

**AN ORDER VARYING BOARD ORDER No. 06/18
TRANSFER OF OWNERSHIP OF
VALE THOMPSON WATER TREATMENT PLANT TO
THE CITY OF THOMPSON
WATER AND WASTEWATER UTILITY**

March 23, 2018

**BEFORE: Irene A. Hamilton, Panel Chair
Michael Watson, Member**

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1.0 Executive Summary

Vale Canada Limited (Vale) and the City of Thompson (City) are jointly requesting that the Public Utilities Board (Board) review and vary Board Order No. 6/18 with respect to language outlining the transfer of the water treatment plant (WTP) for clarification purposes. After review, the Board varies Board Order No. 6/18 as applied for.

The rationale for the Board's decision is found under "Board Findings".

2.0 Background

On January 10, 2018, the Board issued Board Order No. 6/18 approving the transfer of the WTP from Vale to the City and the cost share agreement.

3.0 Request to Review and Vary

Vale and the City each sent a letter to the Board, both dated January 30, 2018, that jointly requested the Board vary Board Order No. 6/18. Vale and the City proposed new language in Board Order No. 6/18 concerning the WTP, to provide further clarification with regards to the transfer of the water treatment plant. The proposed language is as follows:

1) Page three of Board Order No. 6/18 Item (i) replace with the following:

“2017: 25% City, 75% Vale. Calculated based on 25% of the actual cost of operating the WTP and 25% of the pro rata portion of the actual cost of operation of the Pump House, based on the volume of raw water supplied to the WTP.”

2) Page three of Board Order No. 6/18 item (ii), add the following at the end of the last sentence to make it the same as item (i):

“to the WTP”

3) Page 6 of Board Order No. 6/18 first bullet, replace with the following:

“2017 – Vale will continue to own and operate the WTP and the Pump House, but will charge the City for water. Vale will charge the City 25% of the total cost of producing water (WTP costs) and 25% of the pro rata portion of the actual raw water system costs

(Pump House costs) based on the volume of raw water supplied to the WTP. The cost sharing arrangement would be 25:75 between the City and Vale.”

- 4) Page 5 of Board Order No. 6/18 item 3 – Application, replace first sentence with the following:

“Vale owns and operates the water treatment plant that feeds the City’s water distribution system and connects directly into Vale’s private water system that is used for its operations.”

4.0 Board Findings

After considering the request and the new language proposed, the Board concludes that the Order is to be varied to read as follows:

- 1) Page three of Board Order No. 6/18 Item (i):

“2017: 25% City, 75% Vale. Calculated based on 25% of the actual cost of operating the WTP and 25% of the pro rata portion of the actual cost of operation of the Pump House, based on the volume of raw water supplied to the WTP.”

- 2) Page three of Board Order No. 6/18 item (ii):

“2018: 50% City, 50% Vale. The City will charge Vale for 50% of overall costs of operation of the WTP and Vale will charge the City for its pro rata portion of the costs of operation of the Pump House, based on volume of water supplied to the WTP.”

- 3) Page 6 of Board Order No. 6/18 first bullet:

“2017 – Vale will continue to own and operate the WTP and the Pump House, but will charge the City for water. Vale will charge the City 25% of the total cost of producing water (WTP costs) and 25% of the pro rata portion of the actual raw water system costs (Pump House costs) based on the volume of raw water supplied to the WTP. The cost sharing arrangement would be 25:75 between the City and Vale.”

- 4) Page 5 of Board Order No. 6/18 item 3 – Under Application, first sentence of the paragraph:

“Vale owns and operates the water treatment plant that feeds the City’s water distribution system and connects directly into Vale’s private water system that is used for its operations.”

The Board makes this decision to provide clarity, of the transfer arrangement between the Vale and the City, for the ratepayers.

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.

5.0 IT IS THEREFORE ORDERED THAT:

1. Public Utilities Board Order No. 6/18 BE AND IS HEREBY VARIED to the language approved in this Order for the following sections page 3 item (i) and (ii), page 6 first bullet, and page 5 Application section first sentence, to clarify the transfer arrangement of the water treatment plant between the City of Thompson and Vale.

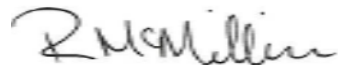
Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

"IRENE A. HAMILTON"
Panel Chair

"RACHEL MCMILLIN, B. Sc."
Acting Secretary

Certified a true copy of Order No. 42/18 issued
by The Public Utilities Board



Acting Secretary