

Order No. 18/18

**AN ORDER RESPECTING THE MUNICIPALITY OF RUSSELL-BINSCARTH
RUSSELL UTILITY
INTERIM BULK WATER RATES**

January 29, 2018

**BEFORE: Carol Hainsworth, C.B.A., Panel Chair
Michael Watson, Member**

Table of Contents

1.0	Executive Summary.....	3
2.0	Background	4
3.0	Application.....	4
4.0	Board Findings	5
5.0	IT IS THEREFORE ORDERED THAT:.....	6

1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves, on an interim *ex parte* basis, initial bulk water fees applied for by the Municipality of Russell-Binscarth (Municipality), Russell Water and Wastewater Utility (Utility).

The new rates are to be effective as of April 1, 2018.

The approved rates are shown below.

Bulk sale of treated water (per 1,000 gallons)	\$12.17
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Rationale for the PUB's decisions may be found under "Board Findings".

2.0 Background

The Municipality operates two water and wastewater utilities, one in the former Town of Russell and the other in the former Village of Binscarth. The Municipality of Russell-Binscarth was formed by amalgamation on January 1, 2015.

Each of these utilities is operated separately. The Russell Water and Wastewater Utility last had rates approved in Board Order No. 69/14.

On September 19, 2016, the Municipality applied to the PUB for approval in principle of a utility surcharge to partially fund debenture payments, which are anticipated as a result of a regional water treatment plant and pipeline project. The project was planned to service customers of the Russell and Binscarth utilities, with other potential partners identified but not yet committed to the project. The Board in Order No. 127/16 approved in principle the recovery of debenture servicing costs for a Regional Water and Treatment Plant and Pipeline Project.

3.0 Application

The Board received a letter from the Municipality on December 21, 2017, requesting interim rates for the sale of bulk water. With the completion of the water plant nearing and agreements needing to be finalized, the Municipality feels that there is an urgent need to establish interim rate.

The Municipality also submitted By-law No. 53/12/17 having had first reading on November 21, 2017, which amended By-law No. 1573/07/13 establishing water and wastewater rates for the Russell Utility.

The Municipality hired an independent consultant to do a study for the sale of bulk water. This was provided to the Board in support of the request for interim rates.

The Municipality has also advised that they will be applying for an extension for the submission of a revised rate application and rate study as the new water treatment plant has to be factored into the Utility's revenues for rates.

4.0 Board Findings

The Board will on an interim *ex parte* basis, approve the interim bulk treated water sales as applied for by the Municipality of Russell-Binscarth, Russell Utility, to be effective as of April 1, 2018.

In some cases, the Board establishes interim rates, which are rates that are subject to review following a more complete process. These are then confirmed as final once there is sufficient information about the utility to provide accurate projections for rate setting purposes. In the case of the Russell Utility, the Board found this to be the appropriate way to move forward. The Board also directs the Municipality to apply for a revised rate application extension outlining the details for this request and provide a proposed date for the rate study and revised rate application to be submitted.

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.

5.0 IT IS THEREFORE ORDERED THAT:

1. The bulk treated water fees for the Municipality of Russell-Binscarth, Russell Water and Wastewater Utility, BE AND ARE HEREBY APPROVED on an interim *ex parte* basis, effective April 1, 2018.
2. The Municipality of Russell-Binscarth submit the water and wastewater rate by-law for the Russell water and wastewater Utility once it has been updated to reflect the changes approved in this Board Order and had third and final reading, to Public Utilities Board.

Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

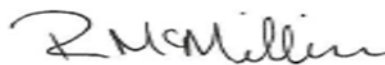
"Carol Hainsworth, C.B.A."

Acting Chair

"Rachel McMillin, B.Sc."

Acting Secretary

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by The Public Utilities Board



Acting Secretary