



Docket UW72302
Order UW18-02

IN THE MATTER of the *Water
and Sewerage Act*, R.S.P.E.I. 1988, Cap W-2 and
the *Island Regulatory and Appeals Commission
Act*, R.S.P.E.I. 1988, Cap. I-11;

AND IN THE MATTER
of an application by Granville Water Utility Inc. for
approval to increase annual water rates and
charges.

**BEFORE THE
COMMISSION**

on Monday, the 10th day of September, 2018

J. Scott MacKenzie, QC, Chair
M. Douglas Clow, Vice-Chair

Order

Compared and Certified a True Copy

(Sgd) *Heather Walker*

Regulatory Services

IN THE MATTER of the *Water*

and Sewerage Act, R.S.P.E.I. 1988, Cap W-2 and
the *Island Regulatory and Appeals Commission*
Act, R.S.P.E.I. 1988, Cap. I-11;

AND IN THE MATTER

of an application by Granville Water Utility Inc. for
approval to increase annual water rates and
charges.

Order

WHEREAS Granville Water Utility Inc. (the “Utility”) filed an application with the Island Regulatory and Appeals Commission (the “Commission”) for approval to increase annual water rates and charges, effective January 1, 2018;

AND WHEREAS following receipt of the application, the Commission issued a Notice inviting written comments on the Utility’s proposal;

AND WHEREAS in response to the Notice of Application, two comments were received from ratepayers;

AND WHEREAS the Commission noted that there was a transfer of Utility ownership in 2016;

AND WHEREAS the Commission noted that Granville customers have benefitted from the recent change of ownership. A review of Utility finances showed that Granville’s expenses had exceeded revenues for a number of years, which resulted in the accrual of a deficit in excess of \$7,000 by year-end 2016. Under the Commission’s authority, rates are established to offset the necessary costs to operate a utility and should not be excessive nor insufficient. In the past, the Utility was aware that a rate increase was needed but no filing was ever submitted. A deficit recovery amount would have formed part of any rate request prior to the recent change in ownership.

However, through negotiations, that deficit amount was extinguished and the current proposal is modeled on a go-forward basis. Analysis done by the Commission confirms that had a debt recovery component been included as part of this filing, rates would have increased approximately double the amount that is currently being sought;

AND WHEREAS the Commission has considered the application of the Utility and supporting information, including ratepayers' written comments and the impact on the Utility regarding the transference of operations;

AND WHEREAS the Commission has concluded that increased revenues are needed to offset the Utility's operating costs;

AND WHEREAS the Commission considers that an annual water rate of \$360.00 per developed property and an annual rate of \$180.00 per undeveloped property, effective with service provided on and after January 1, 2018, are necessary and equitable;

NOW THEREFORE, pursuant to the *Water and Sewerage Act* and the *Island Regulatory and Appeals Commission Act*

IT IS ORDERED THAT

1. The water rate tariff of Granville Water Utility Inc., as set out in schedule 1 annexed hereto and forming part of this Order, is approved and declared effective as of January 1, 2018, and shall remain in effect until otherwise ordered by the Commission; and
2. The *Rules and Regulations* approved and declared effective on January 1, 2008 under Commission Order UW08-03, continue in effect until otherwise ordered by the Commission.

DATED at Charlottetown, Prince Edward Island, this 10th day of September, 2018.

BY THE COMMISSION:

(Sgd) J. Scott MacKenzie

J. Scott MacKenzie, QC, Chair

(Sgd) M. Douglas Clow

M. Douglas Clow, Vice-Chair

NOTICE

Section 12 of the *Island Regulatory and Appeals Commission Act* reads as follows:

12. The Commission may, in its absolute discretion, review, rescind or vary any order or decision made by it or rehear any application before deciding it.

Parties to this proceeding seeking a review of the Commission's decision or order in this matter may do so by filing with the Commission, at the earliest date, a written **Request for Review**, which clearly states the reasons for the review and the nature of the relief sought.

Sections 13.(1), 13(2), 13(3), and 13(4) of the *Act* provide as follows:

13.(1) An appeal lies from a decision or order of the Commission to the Court of Appeal upon a question of law or jurisdiction.

(2) The appeal shall be made by filing a notice of appeal in the Court of Appeal within twenty days after the decision or order appealed from and the rules of court respecting appeals apply with the necessary changes.

(3) The Commission shall be deemed to be a party to the appeal.

(4) No costs shall be payable by any party to an appeal under this section unless the Court of Appeal, in its discretion, for special reasons, so orders.

IRAC140B(99/2)

WATER RATE TARIFF

Granville on the Water Utility Inc.

Effective: January 1, 2018

This rate tariff is issued pursuant to Commission Order UW18-02 and specifies the rates and charges applicable to services provided by **GRANVILLE ON THE WATER UTILITY INC.**

Rules and regulations governing the types of services and manner in which such services are provided are contained in the **GRANVILLE ON THE WATER UTILITY INC. WATER RULES AND REGULATIONS**, approved effective January 1, 2008 (per Commission Order UW08-03).

Water Service Rates & Charges

Application:

Rates and charges apply to water services provided to properties served, or capable of being served, by Granville on the Water Utility Inc.
(NO WATER SERVICE LINE TO EXCEED 3/4 INCH)

Flat Rate:

\$360.00 per year for each developed property with available water service

Frontage Rate:

\$180.00 per year for each undeveloped property with available water service