



Westridge Utilities Inc.

General Rate Application Compliance Filing

August 7, 2008



ALBERTA UTILITIES COMMISSION
Decision 2008-073: Westridge Utilities Inc.
General Rate Application Compliance Filing
Application No. 1574432

August 7, 2008

Published by

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ALBERTA UTILITIES COMMISSION

Calgary Alberta

WESTRIDGE UTILITIES INC. GENERAL RATE APPLICATION COMPLIANCE FILING

Decision 2008-073
Application No. 1574432

1 INTRODUCTION

On April 15, 2008, the Alberta Energy and Utilities Board (EUB or Board), the predecessor of the Alberta Utilities Commission (the Commission), issued Decision 2008-023,¹ which dealt with the Westridge Utilities Inc. (WUI) General Rate Application for the 2005/006, 2006/2007 and 2007/2008 test years (Original Application). In Decision 2008-023, the Board issued the following Directions to WUI²:

Accordingly, the Board directs WUI to make a Compliance Filing in response to all relevant directions in this Decision, including continuity schedules showing revenue requirement adjustments required for WUI to determine its final revenue requirement for each of the test years. These schedules must compare revenues to date, including interim rate riders, adjusted revenue requirement per this Decision, and any variance between the two to establish any Revenue Differentials.

The Board further directs WUI to propose within its Compliance Filing a rate rider that will collect/refund the Revenue Differentials.³

In accordance with these Directions, WUI filed its General Rate Application Compliance Filing (Compliance Filing) on May 30, 2008, to incorporate the Board's Findings and Directions from Decision 2008-023.

The Commission issued Notice of the Compliance Filing on June 12, 2008. The Notice established the following written schedule to deal with the Compliance Filing:

<u>Refiling Process</u>	<u>Deadline Date</u>
Comments from Interested Parties, if any	June 26, 2008
Reply from WUI	July 10, 2008

The Commission did not receive any comments from any Interested Parties and therefore no Reply from WUI was necessary. For purposes of this Decision, the Commission considers that the record closed on July 10, 2008.

¹ Decision 2008-023 – Westridge Utilities Inc. General Rate Application, Application No. 1462020. As the Board had issued the Original Application prior to January 1, 2008, it was dealt with by the Board in accordance with the transitional provisions of the *Alberta Utilities Commission Act*, S.A. 2007, c. A-37.2. As the present application was filed after January 1, 2008, it is being dealt with by the Commission.

² An Erratum to Decision 2008-023 was issued on May 8, 2008.

³ Decision 2008-023, Section 8 Compliance Filing and Rate Riders, page 46

In its Original Application, WUI had requested approval of a rate rider to collect its revenue shortfall commencing July 1, 2008. Pending approval of the Compliance Filing, in Order [U2008-224](#)⁴ dated June 26, 2008, the Commission extended the 2007/2008 interim rates previously approved by the Board for WUI in Decision [2007-052](#)⁵.

2 THE COMPLIANCE FILING

The forecast revenue requirements for WUI, revised to reflect the Board's Directions in Decision 2008-023, are \$1.13 million in 2005/2006, \$1.06 million in 2006/2007 and \$1.22 million in 2007/2008. A summary of WUI's total revenue requirement for 2005/2006 – 2007/2008 as filed in the Original Application and as refiled in the Compliance Filing, reflecting the Board's Directions in Decision 2008-023, is presented as follows:

Table 1. Summary of WUI's Total Revenue Requirement for 2005/2006 – 2007/2008 and Impact of Board Directions from Decision 2008-023

Cost Category	2005/2006		2006/2007		2007/2008	
	Forecast Revenue Requirement As Applied For (\$)	Compliance Filing Revenue Requirement (\$)	Forecast Revenue Requirement As Applied For (\$)	Compliance Filing Revenue Requirement (\$)	Forecast Revenue Requirement As Applied For (\$)	Compliance Filing Revenue Requirement (\$)
Return	361,724	359,536	356,669	354,350	376,063	372,599
Operations Costs	661,470	661,470	647,815	595,315	764,727	714,285
Depreciation	96,018	95,632	102,005	101,539	121,144	120,504
Income Taxes	32,034	30,447	30,930	29,350	32,612	30,680
Misc. Revenues	(14,830)	(14,830)	(19,228)	(19,228)	(15,000)	(15,000)
Regulatory	125,000	-	169,575	-	85,000	-
Total Revenue Requirement	1,261,416	1,132,255	1,287,766	1,061,326	1,364,546	1,223,787

Complete details of WUI's total revenue requirement as refiled in the Compliance Filing are presented in [Appendix 1](#)⁶ of this Decision. For convenience, [Appendix 2](#) contains the Board Directions from Decision 2008-023 that have been addressed in the Compliance Filing.

3 DISCUSSION OF ISSUES

3.1 Board Direction No. 19 – Inflation Factor

In Decision 2008-023, the Board directed WUI as follows:

Therefore, the Board directs WUI to apply a 6% inflation factor to 2006/2007 costs to determine 2007/2008 costs.⁷

⁴ Order U2008-224 - Westridge Utilities Inc. Extension of 2008 Interim Rates (Application No. 1577227 Proceeding ID. 76 Released: June 26, 2008)

⁵ Decision 2007-052 - Westridge Utilities Inc. 2007/2008 Interim Rate Application Application No. 1514491

⁶ The Commission received the electronic version of the schedules June 30, 2008. Upon examination of the schedules, the Commission found several errors found regarding capital additions and WUI was asked to correct and resubmit those schedules. The Commission received the final schedules on July 14, 2008 with all corrections to the capital additions.

⁷ Decision 2008-023, Section 5.4 Operating and Regulatory Costs, page 38

In its review of WUI's response to this Direction, the Commission noted an error made in relation to the 2007/2008 amount, \$8,000.00, submitted for Group Benefits on Schedule 4.1⁸ of the Compliance Filing. In the Original Application WUI had indicated that the amount submitted for Group Benefits for 2007/2008, \$8,000.00, had been inflated by 10% from the 2006/2007 amount, \$6,869.00, submitted in the Original Application.⁹ According to WUI's interpretation of Direction No.19,¹⁰ the amount submitted for Group Benefits for the 2007/2008 Compliance Filing should reflect a value inflated at 6% over the 2006/2007 amount. Therefore, the correct amount for Group Benefits for 2007/2008 should be \$7,281.00.

The Commission has corrected the error in Schedule 4.1. Accordingly, the Commission considers that WUI has complied with Board Direction No. 19 in the Compliance Filing.

3.2 Board Direction No. 23 – Rate Structure

A summary of WUI's rates for 2005/2006 – 2007/2008 as filed in the Original Application and as refiled in the Compliance Filing, reflecting the Board's Directions in Decision 2008-023, is presented as follows:

Table 2. Summary of WUI's Rates for 2005/2006 – 2007/2008 and Impact of Board Directions from Decision 2008-023

Structure	2005/2006		2006/2007		2007/2008	
	Forecast Monthly Rate As Applied For (\$)	Compliance Filing Monthly Rate (\$)	Forecast Monthly Rate As Applied For (\$)	Compliance Filing Monthly Rate (\$)	Forecast Monthly Rate As Applied For (\$)	Compliance Filing Monthly Rate (\$)
Monthly Minimum Charge	85.00	66.91	85.00	58.38	85.00	63.69
> 15m ³ (per m ³)	0.47	0.73	0.167	0.40	0.311	0.76
> 30m ³ (per m ³)	-	1.11	-	0.95	-	1.01

The final rates approved in this Decision will remain in effect until the Commission approves new rates for WUI. The Commission considers that WUI has complied with Board Direction No. 23 in the Compliance Filing.

3.3 Board Direction No. 29 – Rate Rider

In its Compliance Filing, as per Board Direction No. 29, WUI proposed a rate rider to collect its revenue shortfall of \$19,377.00.¹¹ WUI proposed to collect this amount from customers over a three month period starting on July 1, 2008 and ending on September 30, 2008. The method that WUI proposed results in an increase of \$4.97/month per customer over the three month collection period.¹² Complete details of the rate rider are presented in [Appendix 3](#) of this Decision. Accordingly, the Commission considers that WUI has complied with Board Direction No. 29 in the Compliance Filing.

⁸ Application No. 1574432 WUI Compliance Filing, Schedule 4.1, Line 13

⁹ Original Application, Application No. 1462020, Schedule 4.2, Line 10

¹⁰ Application no. 1574432 WUI Compliance Filing, Schedule 4.1, Note 8

¹¹ Application No. 1574432 WUI Compliance Filing, Schedule 1.0, Line 13

¹² Application No. 1574432 WUI Compliance Filing, Schedule 6.2

3.4 Board Direction No. 33 – Request for Information

In Decision 2008-023, the Board directed WUI to provide the following information:

Therefore, the Board directs WUI in its Compliance Filing to provide the following information:

- a) the name of the corporation holding the mortgage on WUI's assets, its corporate structure, directorship and shareholder(s) and in what jurisdiction(s) it is registered as a corporation.
- b) the name of the corporation to which Mr. Belliveau assigned the Agency Agreement, its corporate structure, directorship and shareholder(s) and in what jurisdiction(s) it is registered as a corporation.
- c) a chart or diagram showing all of the corporations in which Mr. Belliveau, Mr. Gruber and Mr. Doran hold interests as shareholders, when they obtained those interests, if and when those interests changed, including the extent of their interest, or of which they are directors, and how those corporations relate to WUI.¹³

In response to Direction 33(a), WUI said the following:

The charge on WUI's assets was held by 941395 Alberta Ltd. To WUI's knowledge, the assets of that company including the charge on WUI's assets were distributed to WUI's owner. A corporate search for that entity is attached.

The corporate search attached to the response discloses a Mr. Russell Negus as Director of 941395 Alberta Ltd., while the shareholder appears to be another corporation, 729809 Alberta Ltd.. According to the Commission's understanding of the response, the mortgage on WUI's assets once held by 941395 Alberta Ltd. was transferred to "WUI's owner." Since WUI does not indicate when this transfer took place, the response is unclear as to whether "WUI's owner" refers to its previous owner or its current owner, Mr. Belliveau.

Based on the information consistently provided by WUI, the Commission's understanding was that the mortgage on WUI's assets was held by a company controlled by Mr. Belliveau. This Direction was intended to bring greater clarity to the holder of the mortgage and its status, but the Commission finds WUI's response to be inconsistent with existing information. Assuming that "WUI's owner" means Mr. Belliveau, the Commission interprets the response to mean that it is now Mr. Belliveau, the sole shareholder of WUI, who holds the mortgage on WUI's assets directly. If that assumption is incorrect, the status of the mortgage and who holds it remains unclear.

Therefore, in its next General Rate Application, the Commission directs WUI to provide the following information:

- a) the shareholder(s) of 941395 Alberta Ltd. at the time its assets were distributed,
- b) the date on which the assets of 941395 Alberta Ltd. were distributed,
- c) who "WUI's owner" refers to in the response to Direction 33(a), and

¹³ Decision 2008-023, page 75

- d) full particulars of the mortgage, including the current mortgage holder.

Otherwise, the Commission considers that WUI has complied with Direction 33(a).

In Response to Direction 33(b), WUI provided the following information:

The account numbers under the Agency Agreement were assigned to 950797 Alberta Ltd. A corporate search showing the shareholders and directors of that entity is attached. The November 30, 2007 IR response indicates that the agreement was assigned, however WUI subsequently has confirmed that it was the account numbers under the agreement that were assigned and not the agreement itself.

The corporate search for 950797 Alberta Ltd. indicates that Mr. Belliveau is director and shareholder.

The Commission finds that WUI has complied with Direction 33(b), but the response raises questions about the Agency Agreement in addition to the extensive questions identified in Decision 2008-023. Primarily, it raises the question of the basis for Mr. Belliveau's authority to assign only the account numbers under the Agency Agreement when the Agreement itself contemplates only that the Agreement as a whole could be assigned and that the Assignee then became "Agent" in Mr. Belliveau's stead.¹⁴ The response begs the question of the legal relationship between 950797 Alberta Ltd. and WUI since, according to the response understood in terms of the Agreement, Mr. Belliveau remained "Agent" under the Agreement. Therefore, WUI's response to this Direction further complicates the picture of the relationship between WUI and Mr. Belliveau and 950797 Alberta Ltd., a result that the Commission finds to be unsatisfactory.

Therefore, the Commission directs WUI in its next GRA, to provide the following information:

- a) a full explanation of WUI's understanding of the basis on which its Agent under the Agency Agreement, Mr. Belliveau, had the authority to assign the account numbers alone, including WUI's understanding of the basis on which the account numbers alone could be assigned to a company controlled by Mr. Belliveau,
- b) a full explanation of WUI's understanding of its relationship with 950797 Alberta Ltd., particularly its understanding of whether that company was in any way authorized by WUI as its agent, whether by assignment of the account numbers or otherwise, including the basis of that understanding with reference to the terms of the Agency Agreement or any other relevant agreements, in which case copies of those other agreements should be provided, and
- c) the agreement(s) or other document(s) by which the account numbers were assigned to 950797 Alberta Ltd. or reasons why WUI is unable to provide them.

WUI provided the following response to Direction 33(c):

¹⁴ See Article 4 of the Agency Agreement. As well, Clause 3.2 provides that the agency under the agreement is "exclusive".

WUI's position is that whatever jurisdiction the Board has been granted by the relevant legislation over WUI's owner, its officers or its agents must be exercised directly and not through WUI. WUI further takes the position that the Board is not empowered by the relevant legislation to compel disclosure of all of the corporations in which its officers own shares.

WUI has filed proceedings in the Court of Appeal with respect to that issue.

Without prejudice to the above stated position, WUI advises as follows It has previously been disclosed in this proceeding that all of the shares of WUI are owned by the referenced owner, The president of WUI owns 100% of the shares of his professional corporation which provides services of a president and CEO to WUI at the remuneration level previously stated in the application. The president of WUI does not own shares in any other corporation that is affiliated with or has a contract with WUI.

The Commission finds that WUI has complied with Direction 33(c) only to the extent that it has provided information respecting Mr. Gruber's shareholdings and the confirmation that he is not a shareholder in any corporation otherwise affiliated with WUI.

The Direction also required information about the shareholdings of Mr. Belliveau and Mr. Doran and a chart or diagram illustrating the relationships among the corporations in which they hold shares and WUI. WUI did not provide any of that information. WUI's application for leave to appeal Decision 2008-023 does not have the effect of staying any part of Decision 2008-023, nor has WUI requested a stay from the Commission or the Court of Appeal. Therefore, the Commission finds that WUI has not complied with Direction 33(c) except as noted above.

The Commission disagrees with WUI's position that the Commission does not have the authority to require WUI to provide information respecting the corporate shareholdings of its owner, officers and agents. As set out in Decision 2008-023, according to the express language of the *Public Utilities Act*, the Commission is entitled to information sufficient to allow a clear understanding of the business and affairs of WUI and its owner, Mr. Belliveau. The Commission has the authority to require WUI to provide information respecting its officers and agents to the extent of their office or agency since this is, by definition, the "business and affairs" of WUI. In this particular case, the Commission is concerned to understand the extent and nature of any affiliate relationships that may exist, or may have existed at relevant times, among Mr. Belliveau, Mr. Gruber and Mr. Doran and any corporations in which they hold shares, as these relationships may affect the regulated activity of WUI.

The Commission considers the information required by Direction 33(c) essential to a full and clear understanding of the business and affairs of WUI and its owner, as found in Decision 2008-023. However, pending disposition of WUI's leave application, and any appeal(s) that may result, the Commission will forbear exercising its authority to enforce full compliance with Direction 33(c).

3.5 Other Board Compliance Directions

In this Decision, the Commission has only provided its comments and determinations regarding the Board Directions from the Compliance Filing where the Commission determined that there was some concern or an issue about the specific Direction. The Commission has reviewed WUI's responses for the remaining Board Directions and is satisfied that WUI has adequately

addressed and responded to all of the remaining Directions. Accordingly, the Commission considers that WUI has complied with all of the remaining Board Directions as presented in the Compliance Filing.

4 CONCLUSION

Based on the information contained in the Compliance Filing and for the reasons expressed in this Decision, the Commission approves WUI's revenue requirement, rates and rate riders for 2005/2006 – 2007/2008 as follows:

Table 3. WUI's Revenue Requirement for 2005/2006 – 2007/2008 as Approved by the Commission

Revenue Requirement	2005/2006	2006/2007	2007/2008
	Commission Approved Revenue Requirement (\$)	Commission Approved Revenue Requirement (\$)	Commission Approved Revenue Requirement (\$)
Total Revenue Requirement	1,132,255	1,061,326	1,223,787

Table 4. WUI's Rates for 2005/2006 – 2007/2008 as Approved by the Commission

Structure	2005/2006	2006/2007	2007/2008
	Commission Approved Monthly Rate (\$)	Commission Approved Monthly Rate (\$)	Commission Approved Monthly Rate (\$)
Monthly Minimum Charge	66.91	58.38	63.69
> 15m ³ (per m ³)	0.73	0.40	0.76
> 30m ³ (per m ³)	1.11	0.95	1.01

Given the timing of the process for the Compliance Filing and the issuance of this Decision, the Commission cannot approve the rate rider commencing July 1, 2008. Therefore, a rate rider of \$4.97/month per customer is approved by the Commission for a three month period starting October 1, 2008 and ending on December 31, 2008.

5 ORDER

IT IS HEREBY ORDERED THAT:

- (1) The revenue requirements of Westridge Utilities Inc. for the 2005/2006 – 2007/2008 test years as set out in Table 3 of this Decision are approved.
- (2) The rates of Westridge Utilities Inc. for the 2005/2006 – 2007/2008 test years as set out in Table 4 of this Decision are approved on a final basis.
- (3) A rate rider of \$4.97/month per customer for a three month period starting October 1, 2008 and ending on December 31, 2008 is approved.

Dated in Calgary, Alberta on August 7, 2008.

ALBERTA UTILITIES COMMISSION

(original signed by)

Thomas McGee
Chair

**APPENDIX 1 - SUMMARY OF WUI'S TOTAL REVENUE REQUIREMENT
FOR 2005/2006 - 2007/2008 AND IMPACT OF BOARD DIRECTIONS FROM
DECISION 2008-023**



Appendix 1 to
Decision 2008-073.xls

(consists of 1 page)

APPENDIX 2 - BOARD DIRECTIONS FROM DECISION 2008-023



Microsoft Office
Word Document

(consists of 2 pages)

**APPENDIX 3 - PROPOSED RATE RIDER TO COLLECT REVENUE DIFFERENTIAL
OVER THREE MONTHS STARTING OCTOBER 1, 2008 AND ENDING
DECEMBER 31, 2008**



Proposed Rate
Rider.xls

(consists of 1 page)

**Summary of WUI's Total Revenue Requirement for 2005/2006–2007/2008
and Impact of Board Directions from Decision 2008-023**

	Application <u>2005/06</u>	Compliance ² <u>2005/06</u>	Application <u>2006/07</u>	Compliance ² <u>2006/07</u>	Application <u>2007/08</u>	Compliance ² <u>2007/08</u>
	(a)	(b)	(c)	(d)	(e)	(f)
1 Revenue Requirement						
2 Return	361,724	359,536	356,669	354,350	376,063	372,599
3 Operating Costs	661,470	661,470	647,815	595,315	764,727	714,285
4 Depreciation	96,018	95,632	102,005	101,539	121,144	120,504
5 Income Taxes	32,034	30,447	30,930	29,350	32,612	30,680
6 Miscellaneous Revenues	(14,830)	(14,830)	(19,228)	(19,228)	(15,000)	(15,000)
7 Regulatory ²	125,000	-	169,575	-	85,000	-
8 Total to be Recovered in Rates	<u>1,261,416</u>	<u>1,132,255</u>	<u>1,287,766</u>	<u>1,061,326</u>	<u>1,364,546</u>	<u>1,223,787</u>
9 Amount Collected in Rates ¹	888,132	888,132	1,171,538	1,171,538	1,356,165	1,356,165
10 Shortfall Carried Forward				250,257		151,755
11 Shortfall, Excluding Regulatory Costs		244,123		(110,212)		(132,378)
12 Interest		6,135		11,709		-
13 Shortfall to be Carried Forward		<u>250,257</u>		<u>151,755</u>		<u>19,377</u>
14 Capital Additions	144,131	144,131	192,198	184,699	588,650	574,650
15 Rate Base						
16 Plant	4,289,920	4,275,069	4,376,262	4,354,379	4,839,918	4,804,674
17 Customer Contributions	(7,000)	(7,000)	(3,850)	(3,850)	(3,850)	(3,850)
18 Deemed Capital Structure						
19 Debt	57%	59%	57%	59%	57%	59%
20 Equity	43%	41%	43%	41%	43%	41%
21 Rates of Return						
22 Debt	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
23 Equity	9.22%	9.22%	8.72%	8.72%	8.72%	8.63%
24 Return 3.0						
25 Debt	193,543	199,692	195,726	201,626	206,370	212,958
26 Equity	168,181	159,844	160,942	152,723	169,694	159,642
27 Total	<u>361,724</u>	<u>359,536</u>	<u>356,669</u>	<u>354,350</u>	<u>376,063</u>	<u>372,599</u>
28 Operating Expenses						
29 Office	43,905	43,905	47,395	47,395	62,134	60,285
30 Insurance	46,947	46,947	27,796	27,796	30,575	29,464
31 Vehicles	39,543	39,543	39,662	39,662	37,635	37,635
32 Utilities	62,034	62,034	67,632	67,632	74,396	71,690
33 Wages and Salaries	372,259	372,259	402,668	410,168	450,394	467,557
34 Repairs and Maintenance	26,782	26,782	36,740	36,740	40,093	38,154
35 Lump Sum Adjustment				(60,000)		(60,000)
36 Professional Fees	70,000	70,000	25,922	25,922	69,500	69,500
37 Total	<u>661,470</u>	<u>661,470</u>	<u>647,815</u>	<u>595,315</u>	<u>764,727</u>	<u>714,285</u>

Notes

- 1 Includes riders approved on an interim basis
- 2 Direction 30 directs that a rider for regulatory costs when all costs are finally determined
Regulatory costs were approved with a deferral account page 36

APPENDIX 2 – COMPLETED BOARD DIRECTIONS FROM DECISION 2008-023

This section is provided for the convenience of readers and outlines the Board Directions from Decision 2008-023 that the Commission considers have been addressed appropriately in the Compliance Filing.

In the event of any difference between the Directions in this section and those in the main body of Decision 2008-023, the wording of the main body of Decision 2008-023 shall prevail.

1. Therefore, the Board directs WUI to exclude from its 2005/2006 rate base the amount of \$15,429 attributed to capitalized plant omitted from its 2004/2005 application.
7. Therefore, the Board directs WUI in 2006/2007 and 2007/2008 to use a capitalization rate of 10% for the CEO salary.
8. The Board directs WUI to restate its rate base to reflect all of the adjustments as directed in Section 4.3 of this Decision and to include these changes and updated schedules in the compliance filing directed later in this Decision in Section 8 (Compliance Filing).
9. Therefore, the Board directs WUI to use a deemed capital structure of 59% debt and 41% equity for all three test years in its Compliance Filing.
10. Therefore, the Board directs WUI in its Compliance Filing to use returns on deemed equity of 9.22% for 2005/2006, 8.72% for 2006/2007 and 8.63% for 2007/2008.
11. Due to directed changes in the Rate Base section of this Decision, the Board directs WUI to adjust and reflect these changes in its depreciation schedules that are to be incorporated in its Compliance Filing.
12. Therefore, the Board directs WUI to adjust its customer forecast for 2007/2008 to 1278 customers.
13. Therefore, the Board directs WUI to adjust its forecast average customer usage to 390m³/customer for the 2007/2008 test year.
14. The Board accepts as reasonable WUI's total usage for the years 2005/2006 and 2006/2007. However, based on the directed increase in the customer count for 2007/2008 and the average usage per customer in that year, the Board directs WUI to change its forecast total usage for the 2007/2008 forecast year to 498,400 m³.
15. Therefore the Board directs WUI to reduce Operations and Maintenance expenses by \$60,000 in each of the 2006/2007 and 2007/2008 test years.
17. WUI has requested to increase a number of general operating and maintenance costs for 2007/2008 by 10% to reflect both growth and inflation of the Calgary economy. As seen in the response to BR-WUI-20 Calgary's most recent inflation rate over the year 2005-2006 was 4.56%. WUI states that the costs of a small water utility are not necessarily consistent with the basket of items used in determining inflation, however the Board

-
- notes that WUI has failed to justify a general increase of costs by 10% and used CPI as a benchmark in its previous application.
18. The Board notes that both WUI and WWUG consistently used the Consumer Price Index (CPI) information to adjust values to 2003 dollars. The Board considers this reasonable and has used the same CPI values in all calculations.
 19. Therefore, the Board directs WUI to apply a 6% inflation factor to 2006/2007 costs to determine 2007/2008 costs.
 22. The Board directs WUI in its Compliance Filing, to restate and resubmit all schedules for each of the test years incorporating all Board directions respecting its revenue requirement.
 23. For the remaining variable portion of the rate structure the Board considers a 2-step blocking structure similar to that approved in Decision 2005-028 to be reasonable. Therefore, the Board directs WUI in its compliance filing to set a rate for usage from 15m³ to 30m³ and a rate for usage greater than 30m³ per month. The rate set for consumption greater than 30m³ per month should be higher than the rate set for consumption from 15m³ to 30m³ per month.
 28. Accordingly, the Board directs WUI to make a Compliance Filing in response to all relevant directions in this Decision, including continuity schedules showing revenue requirement adjustments required for WUI to determine its final revenue requirement for each of the test years. These schedules must compare revenues to date, including interim rate riders, adjusted revenue requirement per this Decision, and any variance between the two to establish any Revenue Differentials.
 29. The Board further directs WUI to propose within its Compliance Filing a rate rider that will collect/refund the Revenue Differentials.
 31. The Board directs WUI to include in its Compliance Filing interest on the Revenue Differentials for 2005/2006 and 2006/2007 determined according to the Board's views in this Decision and according to the Board's Interest Policy.
 33. Therefore, the Board directs WUI in its Compliance Filing to provide the following information:
 - a) the name of the corporation holding the mortgage on WUI's assets, its corporate structure, directorship and shareholder(s) and in what jurisdiction(s) it is registered as a corporation.
 - b) the name of the corporation to which Mr. Belliveau assigned the Agency Agreement, its corporate structure, directorship and shareholder(s) and in what jurisdiction(s) it is registered as a corporation.
 - c) a chart or diagram showing all of the corporations in which Mr. Belliveau, Mr. Gruber and Mr. Doran hold interests as shareholders, when they obtained those interests, if and when those interests changed, including the extent of their interest, or of which they are directors, and how those corporations relate to WUI.
-

Proposed Rate Rider to Collect Revenue Differential Over Three Months Starting October 1, 2008 and Ending December 31, 2008

1 Cumulative Shortfall from Appendix 1	19,377
2 Estimated Customers October 1, 2008	1300
3 Estimated Customers January 1, 2009	1310
4 Proposed Rider	\$ 4.97 per month

Note

As Per Direction No. 29