

No. 9.] *Water and Sewerage Authority (Amendment) Act* [1994.

I ASSENT

[L.S.]

STANISLAUS JAMES,
Governor-General.

29th July, 1994

SAINT LUCIA

No. 9 of 1994

AN ACT to amend the Water and Sewerage Authority Act in order to prescribe new formulae with respect to method to be used in computing charges.

[6th August, 1994]

BE IT ENACTED by the Queen's Most Excellent Majesty, by and with the advice and consent of the House of Assembly and the Senate of Saint Lucia, and by the authority of the same, as follows:

1. This Act may be cited as the Water and Sewerage Authority Short title.
(Amendment) Act, 1994.

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Amendment of
Principal Act.

2. The Water and Sewerage Authority Act, No. 18 of 1984 in this Act referred to as "the Principal Act, is amended by deleting the word "Schedule" wherever it appears therein and substituting therefor the words "FIRST SCHEDULE".

Amendment of
Section 15 of the
Principal Act.

3. Section 15 of the principal Act is amended —
- (a) by deleting the marginal note thereto and substituting therefor the following :
- "Revenue matters and rate of return"; and
- (b) by adding the following as subsection (2) :
- "For the purposes of subsection (1) the Authority shall be entitled to a rate of return calculated in accordance with the formula prescribed in PART A of the SECOND SCHEDULE, but such rate shall not be less than three percent."

Amendment of
Section 24 of the
Principal Act.

4. Section 24 of the principal Act is amended —
- (a) by deleting the words "No. 12 of 1975" appearing as a marginal note thereto;
- (b) by deleting the words "and the Public Utilities Commission Act" appearing in lines one and two of subsection (1) thereof; and
- (c) by repealing subsection (2) thereof and substituting the following:
- "The Authority shall fix a charge in accordance with section 25 or by agreement with any person".

Repeal and
replacement of
section 25 of
Principal Act.

5.—(1) Section 25 of the principal Act is repealed and the following substituted:

"Computation of
charges.

The Authority shall fix the charge for any service performed, facilities provided or rights made available by the Authority on the basis of the rate of return calculated in accordance with the SECOND SCHEDULE.

(2) Where the rate of return is less than three per cent, the charges referred to in subsection (1) shall be increased based on the formula prescribed in Part B of the SECOND SCHEDULE.

(3) An increase or decrease of charges under subsection (2) shall be effected at intervals of six months after the commencement of this Act.

(4) Nothing in this section shall affect any power of the Authority to make any agreement as to charges that it is empowered to make by any enactment passed prior to 3rd October, 1984.

(5) For the purposes of this section and the SECOND SCHEDULE —

“deficit return” means the quantum by which the rate of return of the Authority as calculated in accordance with Part A of the Second Schedule, is less than three per cent or such other rate as prescribed by the Minister;

“net operating income” means the difference between the income from operations and the total direct administrative and other expenses incurred in generating this income;

“rate base” means the average net fixed assets of the Authority at replacement cost plus average inventory;

“rate of return” means the rate of return of the Authority calculated in accordance with Part A of the SECOND SCHEDULE;

“surplus return” means the quantum by which rate of return of the Authority as calculated in accordance with Part A of the Second Schedule, is more than three per cent or such other rate as prescribed by the Minister.”

6. The principal Act is amended by inserting immediately after section 25 the following as sections 25A and 25B.

25A (1) Where the Authority proposes to fix, decrease or increase charges for services performed or facilities provided, the proposals shall be submitted to the Certification Committee at least thirty days prior to the date of the intended implementation.

Insertion of new sections 25A and 24B in Principal Act.

“ Proposals regarding charges.

(2) On receipt of any proposal under subsection (1), the Certification Committee shall examine the proposals in order to determine whether there is compliance with the relevant formulae prescribed in the SECOND SCHEDULE.

(3) For the purposes of subsection (2), the Certification Committee shall prepare a report in which must be included -

- (a) an evaluation of the proposals;
- (b) a statement as to whether there is compliance with the formulae prescribed in the Second Schedule; and
- (c) comments or observations on the performance of the Authority.

(4) A report prepared for the purposes of this section shall be submitted to the Minister and the Authority at least seven days prior to the date of intended implementation of the proposals.

(5) Unless otherwise directed by the Minister, the Authority shall give effect to the recommendations of the Certification Committee with respect to the proposals submitted under subsection (1).

(6) For the purposes of this section "Certification Committee means the Certification Committee established by section 33 of the Electricity Supply Act, 1994.

Review of Charges

25B (1) After the commencement of this Act, the Review Board shall at the end of each financial year review the charges that are calculated under this Act and charged by the Authority.

(2) A review for the purposes of subsection (1) —

- (a) must determine the accuracy or otherwise of the charges imposed by the Authority for the financial year ending immediately prior to the commencement of the review.
- (b) may contain recommendations with respect to the charges imposed by the Authority; and
- (c) must commence within sixty days after the end of the financial year that is subject to review.

(3) A report for the purposes of this section shall be completed and submitted to the Minister and the

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Authority within ninety days from the date of the commencement of such review.

(4) The Authority may within fourteen days of the receipt of the report of the Review Board make submissions to the Minister with respect to anything contained in the report.

(5) Unless otherwise directed by the Minister, the Authority shall give effect to any recommendations contained in the report of the Review Board.

(6) For the purposes of this section "Review Board" means the Review Board established by section 34 of the Electricity Supply Act, 1994.

(7) For the purposes of this section and section 25A, "Minister" means the Minister of Finance."

7. The principal Act is amended by inserting immediately after the First Schedule, as re-numbered by section 2, the Second Schedule as contained in the Schedule to this Act. Amendment of principal Act.

SCHEDULE (Section 7)

"SECOND SCHEDULE (Section 15 (2) 25 (2))

PART A

The rate of return must be calculated as follows:

$$\frac{\text{Net Operating income} \times 100}{\text{Rate Base}}$$

PART B

Increase in charges must be calculated as follows:

$$\frac{\text{Dollar Value of Deficit return}}{\text{Volume of Water sold or Sewerage treated}}$$

Where dollar value of deficit return is equal to:

$$\frac{\text{Deficit Return} \times \text{Rate Base}}{100}$$

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PART C

Decrease in charges must be calculated as follows:

$$\frac{\text{Dollar Value of Surplus Return}}{\text{Volume of Water sold or Sewerage treated}}$$

Where dollar value of surplus return is equal to:

$$\frac{\text{Surplus Return} \times \text{Rate Base}}{100''}$$

Passed in the House of Assembly this 27th day of June, 1994.

W. St. CLAIRE DANIEL,
Speaker.

Passed in the Senate this 12th day of July, 1994.

E. NEVILLE CENAC,
President.