MANITOBA) Order No. 25/09)
THE PUBLIC UTILITIES BOARD ACT) March 17, 2009

BEFORE: Graham F. J. Lane, C.A., Chairman Susan Proven, P.H.Ec., Member

THE RURAL MUNICIPALITY OF EAST ST. PAUL WATER AND SEWER UTILITY

ACTUAL REVENUE DEFICIT 2008

Introduction and Discussion

WHEREAS the Public Utilities Board issued Order No. 151/08 on November 7, 2008 requiring all water and/or sewer utilities to report an actual year-end deficit to the Board if the utility:

- 1. had not received prior approval for the deficit from the Board and such deficit either exceeds \$10,000 or represents 5% of the utility's operating budget; or
- 2. had received prior approval for the deficit from the Board and the actual deficit:
 - a. exceeds the previously approved amount by either \$10,000 or 5% of the utility's operating budget; or
 - b. is caused as a result that differs from that upon which said approval was granted;

AND WHEREAS the Rural Municipality of East St. Paul incurred operating deficits at the end of the 2008 operating year of \$23,090.55 in the water utility and \$196,054.98 in the sewer utility;

AND WHEREAS the reported causes of the deficits were the result of lower than forecast revenues, this attributed to lower consumption, and fewer connections than expected;

AND WHEREAS it is proposed that the said deficits be recovered from taxes in equal amounts over the next three years as follows:

Year	Water Utility	Sewer Utility
2009	\$7,696.85	\$65,351.66
2010	\$7,696.85	\$65,351.66
2010	\$7,696.85	\$65,351.66;

AND WHEREAS provincial law requires municipal utilities to breakeven annually on utility operations;

AND WHEREAS the Board will require the RM to proceed with an immediate review of the adequacy of utility water and sewer rates and file a rate study with the Board on or before October 31, 2009;

AND WHEREAS the Board will only approve recovery by way of a transfer from the General Fund in the first year, pending receipt of a rate study:

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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.

IT IS THEREFORE ORDERED THAT:

- 1. The actual revenue deficit of the water and sewer utility of the Rural Municipality of East St. Paul during the year 2008, BE AND THE SAME IS HEREBY ACKNOWLEDGED;
- 2. The Public Utilities Board approves recovery of one third of the 2008 actual deficit, in the amounts of \$7,696.85 for the water utility and \$65,351.66 for the sewer utility, from taxes in the year 2009.
- 3. The Public Utilities Board directs the Rural Municipality of East St. Paul to undertake a review of the adequacy of its water and sewer utility rates and file a rate study with the Board by no later than October 31, 2009, at which time a further Order may be expected with respect to the recovery of the remaining 2008 deficit and potential plans for rate changes.

Fees payable upon this Order - \$150.00

"GRAHAM LANE, C.A."
Chairman

"K. SCHWANKE"
Acting Secretary

Certified a true copy of Order No. 25/09 issued by The Public Utilities Board

Acting Secretary