M A N I T O B A) Order No. 141/11)
THE PUBLIC UTILITIES BOARD ACT) October 18, 2011

BEFORE: Graham Lane, CA, Chairman
Monica Girouard, CGA, Member

Susan Proven, P.H.Ec., Member

Town of MacGregor
Application to address recovery of
2009 ACTUAL UTILITY DEFICIT

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WHEREAS the Public Utilities Board (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 audited financial statements recorded a \$105,572 deficit at the end of the 2009 operating year for the Town of MacGregor's (Town) water and sewer utility;

AND WHEREAS following further inquiries with the Town, the 2009 deficit to address recovery of is \$43,384;

AND WHEREAS the utility has not reviewed its rates for adequacy since 2008;

AND WHEREAS the said cause of the deficit is the result of changed accounting standards and the requirement for the utility to record an annual amortization expense of \$72,853;

AND WHEREAS the Board authorizes water and sewer utilities to amortize capital grants for the same number of years as the asset for which they were received, thereby reducing this expense by \$8,000;

AND WHEREAS it is proposed that the said deficit be recovered from Utility fund surplus;

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IT IS THEREFORE ORDERED THAT:

- 1. The 2009 net operating deficit of \$43,384 incurred in the water and sewer utility of the Town of MacGregor during the year 2009, for the purposes set out herein, BE AND THE SAME IS HEREBY APPROVED to be recovered from the utility`s fund surplus.
- 2. The Town of MacGregor review rates for its Utility and file a report, as well as an application for revised rates if required, with the Public Utilities Board not later than February 29, 2012.

Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

"GRAHAM F. J. LANE, C.A."
Chairman

"KRISTINE SHIELDS"
Acting Secretary

Certified a true copy of Order No. 141/11 issued by The Public Utilities Board

Acting Secretary

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 (Rules).