

M A N I T O B A ) Order No. 61/11  
)  
THE PUBLIC UTILITIES BOARD ACT ) April 21, 2011

BEFORE: Graham Lane, CA, Chairman  
Monica Girouard, CGA, Member  
Susan Proven, P.H.Ec., Member

**TOWN OF POWERVUE - PINE FALLS**  
**RECOVERY OF OPERATING DEFICITS**  
**2005 to 2008**

**WHEREAS** the Town of Powerview - Pine Falls (Town) applied to the Public Utilities Board (Board) for approval to address operating deficits reported to have been experienced in the Town's water and sewer utilities of:

- 2005 - Ward 2 - \$6,407;
- 2006 - \$61,273, inclusive of Ward 1 - \$27,008, and, Ward 2 - \$34,265;
- 2007 - \$22,091, inclusive of Ward 1 - \$6,830, and, Ward 2 - \$15,261; and
- 2008 - Ward 2 - \$3,991;

**AND WHEREAS** the Board previously approved recovery of the 2005 deficit (of \$6,407) from the Town's utility accumulated surplus (Order 88/06), and recovery of the reported 2006 deficit (Order 108/07) of \$84,831, that by withdrawal from the Town's utility accumulated surplus account for Ward 1 (\$51,162), utility reserve funds (\$10,000), and by way of property tax assessments (\$23,669);

**AND WHEREAS** the Town has recently advised the Board that the Town took no action to recover the said deficits, as was approved by the Board;

**AND WHEREAS** the Town now proposes to recover the Ward 1 portion of the deficit through its utility reserve fund (\$33,838) and the Ward 2 deficit (\$59,924) by a rate rider of \$0.25 per m<sup>3</sup> to be billed for all water consumed by Ward 2 customers;

**AND WHEREAS** the Town estimates that the recovery of the Ward 2 deficit by way of the rate rider will require approximately five years (based on estimated consumption);

**AND WHEREAS** according to the audited financial statements, as at December 31, 2008 the Town recorded the following balances:

Powerview's Utility Reserve Fund - \$188,751;  
Combined Utility Reserve Fund - \$11,293; and  
Accumulated Surplus - \$16,476 (which amount includes the accumulation of 2005 to 2008 operating deficits);

**AND WHEREAS** municipalities are required to file applications for deficit approval by April 1 in the year following the deficit or may be subject to a \$500 late filing fee;

**AND WHEREAS** additional costs are incurred by the Board in monitoring and following up on delinquent files;

**AND WHEREAS** the municipality advises that since 2005 they have had four Chief Administrative Officers and it takes time to determine prior actions taken with respect to requirements;

**IT IS THEREFORE ORDERED THAT:**

1. The actual accumulated deficit of \$33,838 incurred by the water and sewer utility of the Town of Powerview - Pine Falls, arising from service to Ward One (Powerview) customers for the years 2005 to 2008 inclusive, BE AND THE SAME IS HEREBY APPROVED to be recovered from the Ward One utility reserve fund.
2. The actual deficit of \$59,924 incurred in the water and sewer utility of the Town of Powerview - Pine Falls, arising from service to Ward Two (Pine Falls) customers for the years 2005 to 2008 inclusive, BE AND THE SAME IS HEREBY APPROVED to be

recovered by way of a \$0.25/m<sup>3</sup> rate rider on all water consumed by Ward Two customers until such time as the deficit has been fully addressed.

3. The Town of Powerview - Pine Falls provide a report to the Public Utilities Board not later than January 31, 2014 as to the status of the planned recovery of its Ward Two deficit, advising as to the aggregate amount recovered to the end of 2013, and provide an estimate of the remaining time required to address any outstanding amount.
4. The Town of Powerview - Pine Falls be assessed a late filing fee of \$175 in addition to the application charge of \$150.

Fees payable upon this Order - \$325.00

THE PUBLIC UTILITIES BOARD

"GRAHAM LANE, CA"

Chairman

"KRISTINE SHIELDS"

Acting Secretary

Certified a true copy of Order No.  
61/11 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). The Board's Rules may be viewed on the Board's website at [www.pub.gov.mb.ca](http://www.pub.gov.mb.ca).