

M A N I T O B A) Order No. 78/14
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THE PUBLIC UTILITIES BOARD ACT) July 14, 2014

BEFORE: Susan Proven, P.H.Ec, Acting Chair
The Hon. Anita Neville, P.C., B.A. (Hons.), Member

ORDER VARYING BOARD ORDER No. 62/14
RURAL MUNICIPALITY OF WALLACE
ACTUAL DEFICITS 2010 AND 2011

Summary:

The Public Utilities Board varies Board Order No. 62/14 to allow the Rural Municipality of Wallace to recover the 2010 and 2011 deficits as follows:

- 2010 deficit of \$215,428 to be recovered by a transfer from the General Operating fund in the same amount;
- 2011 deficit of \$270,344 to be recovered by a transfer from the General Operating fund in the amount of \$259,527 and a deficit recovery surcharge of \$10,817, to be paid by the Village of Maryfield, Saskatchewan.

Background:

On June 6, 2014 the Board issued Order No. 62/14 approving the recovery of the 2010 and 2011 deficits by way of a deficit recovery surcharge, which was to be calculated based on consumption at a rate of \$0.61 per cubic meter.

On July 2, 2014, the RM requested that the Board Review and Vary Board Order No. 62/14, and consider allowing the RM to transfer surplus funds from the General Fund to the Utility in the amount of \$485,772 to offset the 2010 and 2011 deficits.

The RM had originally applied for the deficit recovery to be recovered based on usage because two of its customers (Village of Maryfield, SK and the RM of Pipestone, MB) account for a large percentage of the water sold. Upon review of those customer accounts, the RM realized that the RM of Pipestone hadn't been a customer of the utility during the years that the

deficits were incurred, and therefore would be excluded from the surcharge, as per Board Order No. 62/14. It was further discovered that the Village of Maryfield only became a customer in July 2011.

In response to a request from the Board, the RM submitted the following information relating to the Village of Maryfield's water purchases for 2011:

| | |
|-------------------------|---------|
| Maryfield | 10,198 |
| RM of Wallace | 244,675 |
| Total cubic meters sold | 254,872 |
| | |
| Maryfield | 4.00% |

The RM further requested that the deficit amounts be recovered through a transfer from the General Fund, rather than through a surcharge to Utility ratepayers. The RM advised the Board that they believe a large portion of the 2011 deficit related to the cost of repairs to the well control building after it was hit by lightning, which the RM feels should have been borne by the General Fund. The RM also stated that once the large volume users are removed from the recovery approved in Order 62/14, the surcharge will be too costly for ratepayers; the RM is also in the process of amalgamating, and the Council wishes to clear the deficits prior to amalgamation.

Board Findings:

After considering the information filed and Board Order No. 62/14, the Board concludes that the Order is to be varied as follows:

- 2010 deficit of \$215,428 to be recovered by a transfer from the General Operating fund in the same amount;
- 2011 deficit of \$270,344 to be recovered by a transfer from the General Operating fund in the amount of \$259,527 and a flat rate deficit recovery surcharge of \$10,817, to be paid by the Village of Maryfield, Saskatchewan over the period of one (1) year.

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.

