

**Order No. 130/16**

**MUNICIPALITY OF LORNE  
VILLAGE OF SOMERSET  
WATER AND WASTEWATER UTILITY  
ACTUAL OPERATING DEFICIT for 2011**

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**October 12, 2016**

**BEFORE: The Hon. Anita Neville, P.C., B.A. (Hons.), Acting Chair**

**Carol Hainsworth, C.B.A., Member**

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;

### **Application**

The Municipality of Lorne (Municipality) reported an actual deficit for 2011 of \$25,713 for the Village of Somerset Utility (Utility). Rates were last set in 2012 in Board Order No. 27/12. No further deficits are reported since that time.

### **Board findings**

By law, Manitoba utilities are not allowed to incur deficits. In the event that a deficit does occur, a Utility is required to obtain Board approval for a recovery methodology.

The Board will approve the 2011 actual deficit, when calculated for regulatory purposes, of \$25,713 to be recovered through the Utility's accumulated surplus account.

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).

**IT IS THEREFORE ORDERED THAT:**

1. The actual operating deficit, when calculated for regulatory purposes, for 2011 of \$25,713 incurred in the Municipality of Lorne – Village of Somerset water and wastewater utility is HEREBY APPROVED to be recovered from the Utility's Accumulated Surplus.
2. The Municipality of Lorne – Village of Somerset water and wastewater utility provide copies of their 2015 audited financial statements as soon as they are available, including any deficit applications as required.

Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

"The Hon. ANITA NEVILLE, P.C., B.A. (Hons.)"  
Acting Chair

"JENNIFER DUBOIS, CPA, CMA"  
Acting Secretary

Certified a true copy of Order No. 130/16  
issued by The Public Utilities Board

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Acting Secretary