

Order No. 151/16

**RURAL MUNICIPALITY OF ROLAND
WATER AND WASTEWATER UTILITY
2015 ACTUAL OPERATING DEFICIT**

December 5, 2016

BEFORE: The Hon. Anita Neville, P.C., B.A. (Hons.), Acting Chair
Carol Hainsworth, C.B.A., Member
Shawn McCutcheon, 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

On August 31, 2016 the Board received a deficit application for 2015 of \$133,052 for The Rural Municipality of Roland (Municipality). The application was followed on October 13, 2016 by Council Resolution No.3, requesting that the deficit be recovered through the Utility's accumulated surplus account. Rates were recently set in Board Order No. 108/16.

The application advised that the deficits were a result of inadequate rates and significant water loss in the first 4 months of the year.

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 2015 deficit of \$133,052 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.

IT IS THEREFORE ORDERED THAT:

1. Utility's actual operating deficit of \$133,052, when calculated for regulatory purposes, is HEREBY APPROVED to be recovered from the Utility's accumulated surplus.
2. The Rural Municipality of Roland provide a copy of the audited financial statements for 2016 as soon as they are available, including any necessary deficit application.

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. 151/16
issued by The Public Utilities Board

Acting Secretary