

**Order No. 157/16**

**RURAL MUNICIPALITY OF DUFFERIN  
WATER UTILITY  
2015 OPERATING DEFICIT**

---

**December 9, 2016**

**BEFORE: The Hon. Anita Neville, P.C., B.A. (Hons.), Acting Chair  
Susan Nemec, FCPA, FCA  
Rhéal Teffaine, Q.C.**

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 October 3, 2016, the Board received the deficit application for 2015 of \$41,114 for Dufferin Water Utility (Utility) from the Rural Municipality of Dufferin (RM). The deficit application was accompanied by Council Resolution No.7, requesting the 2015, deficit be recovered from the Utility's Accumulated Surplus fund.

The RM advised that the 2015 deficit was a result of the current rates not including a provision for amortization expense, which has been part of the revenue requirements for utilities since 2010.

Rates were last revised in January 2016, with an increase approved as pass through rates from the Pembina Valley Water Co-op. The RM last provided a full rate application and rate study to the Board in January 2010. Board Order No. 116/10 was issued December 6, 2010 approving revised rates.

The RM advised that a rate application is due to be submitted on November 30, 2016.

## 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 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 2015 of \$41,114 incurred in the Rural Municipality of Dufferin water utility is HEREBY APPROVED to be recovered from the Utility's Accumulated Surplus.

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. 157/16  
issued by The Public Utilities Board

\_\_\_\_\_  
Acting Secretary