

Order No. 99/16

**AN ORDER RESPECTING
THE RURAL MUNICIPALITY OF RIDING MOUNTAIN WEST
LOCAL URBAN DISTRICT OF ANGUSVILLE UTILITY
APPROVAL TO WITHDRAW RATE APPLICATION
CONFIRMATION OF INTERIM EX PARTE RATES AS FINAL**

July 27, 2016

BEFORE: The Hon. Anita Neville, P.C., B.A. (Hons.), Acting Chair
Carol Hainsworth, C.B.A., Member
Regis Gosselin, B ès Arts, MBA, CGA, Chair

1.0 Executive Summary

By this Order, the Manitoba Public Utilities Board (Board) approves as final the water and wastewater rates previously approved on an interim *ex parte* basis for the Rural Municipality of Riding Mountain West (RM) Local Urban District of Angusville Utility (Utility) and also approves the RM's request to withdraw the current rate application.

2.0 The Issues

Two issues were identified by the Board:

Issue 1 – A request by the RM to withdraw the rate application which is currently under consideration by the Board.

Issue 2 – Final approval of the water and wastewater rates set on an interim *ex parte* basis by Board Order No. 127/15.

3.0 Board Findings on the Issues

Issue 1 – A request by the RM to withdraw the rate application which is currently under consideration by the Board.

The RM has submitted that the current administration has reservations about the preparation of the rate application previously submitted to the Board. The RM is experiencing challenges in responding the Board's information requests about the application. The rate application was prepared prior to the amalgamation of the former RMs of Shellmouth-Boulton and Silver Creek to form the current RM of Riding Mountain West.

Therefore, the RM has requested the Board's approval to withdraw the application. The RM has informed the Board that its Council has approved the hiring of a consultant to prepare a rate study for submission to the Board at a later date.

The Board approves the RM's request because the rationale for withdrawing the application is reasonable.

The Board directs the RM to submit a revised rate application on or before January 1, 2017.

Issue 2 – Final approval of the water and wastewater rates set on an interim *ex parte* basis by Board Order No. 127/15.

Rates were previously approved on an interim *ex parte* basis effective October 1, 2015 because the Board concluded that revised rates were urgently required. The Utility had experienced operating deficits in 2010, 2011 and 2012.

The RM submitted a copy of the 2014 audited financial statements on June 27, 2016. The statements indicate that the Utility experienced an operating deficit of \$42,864. No deficit application was received by the Board.

The audited results up to and including the year ending 2014 disclosed operating deficits. The impact of the interim rate increase will not be known until the 2016 audited financial statements are available which should normally occur in June 2017. The RM is still approximately one year behind in the preparation of its audited financial statements. Despite the increased rates approved on an interim basis by Board Order No. 127/15, the Board anticipates that those rates will most likely be inadequate and will require further upward revision.

Therefore, the Board approves the interim rates as final, even though the application for those rates has been withdrawn. The Board also directs the RM to submit a deficit application for approval of the 2014 operating deficit.

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. The Board's Rules may be viewed on the Board's website at www.pub.gov.mb.ca.

4.0 IT IS THEREFORE ORDERED THAT:

1. The Rural Municipality of Riding Mountain West's request to withdraw the rate application for the Local Urban District of Angusville Utility is HEREBY APPROVED.
2. The Rural Municipality of Riding Mountain West submit a revised rate application on or before January 1, 2017.
3. The water and wastewater rates for the Rural Municipality of Riding Mountain West, Local Urban District of Angusville Utility as approved on an interim basis in Board Order No. 127/15 BE AND ARE HEREBY CONFIRMED AS FINAL.
4. The Rural Municipality of Riding Mountain West submit an application for the approval of the 2014 operating deficit, including proposed method of recovery, on or before September 1, 2016.

Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

Acting Chair

Acting Secretary