

Order No. 42/21

**TOWN OF MINNEDOSA
MINNEDOSA WATER AND WASTEWATER UTILITY
APPROVAL TO WITHDRAW RATE APPLICATION**

April 1, 2021

BEFORE: Shawn McCutcheon, Panel Chair
Irene Hamilton, Q.C., Panel Member

1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves a request to withdraw the rate application made by the Town of Minnedosa (Town) for the Minnedosa Water and Wastewater Utility (Utility).

Rationale for the Board's decisions may be found under "Board Findings".

2.0 Application

On November 30, 2020, the Town electronically submitted an application for revised water and wastewater rates, accompanied by a rate study prepared by the Town's consultant. The cover letter indicated that the By-Law would be given first reading on December 15, 2020. In addition, deficit applications for years 2018 and 2019 were contained within the rate study.

On December 1, 2020, Board staff requested a hardcopy of the deficit applications, the electronic version of the Schedule of Utility Rate Requirements for the rate application and the Council Resolutions supporting the deficit applications.

On December 3, 2020, the Board received a hardcopy of the deficit applications as well as Council Resolution No. 2020 215, dated October 13, 2020, supporting the 2019 deficit and Council Resolution No. 2020 109, dated May 12, 2020, supporting the 2018 deficit. Both applications requested deficit recovery by a rate rider from customers.

On January 27, 2021, the Town advised Board staff of the Town's intention to withdraw the rate application and study. The Town was informed of the requirements to withdraw a rate application and was asked to review and revise the reasons for the deficits submitted by the Town.

On February 3, 2021, Board staff followed-up with the Town on the previous request for outstanding items of December 1, 2020 and also requested a certified copy of the By-Law with first reading, once available.

The Town responded advising that Council had decided against endorsing the rate study and would not be giving the By-Law first reading. Further, the Town advised that a resolution would be passed in its February 9, 2021 Council Meeting to formally withdraw the rate application and study.

On February 17, 2021, the Town submitted Council Resolution No. 2021 039 requesting the withdrawal of the current 2020 rate application and study. The Town advised that Council determined it would like to advertise for tenders for the work required for submission of a new rate study and that an extension to July 30, 2021 is also being requested at this time.

3.0 Board Findings

Rate Study

The Board approves the Town's request to withdraw the rate application and directs the Town to submit an application and rate study for revised rates by no later than July 30, 2021.

The Board reminds the Town that the next rate study should be prepared using the Board's guidelines.

2018 and 2019 Operating Deficits

The Board notes the Town was initially directed to submit an application to recover the 2018 deficit incurred in the Utility by no later than June 30, 2020. The Town has requested extensions to due date on several occasions. The Board has granted extension requests to July 1, 2020 and then to October 15, 2020. On October 7, 2020, the Town requested a third extension to November 30, 2020 and indicated that it will submit 2019 deficit application along with the 2018 deficit application. The Board granted the extension to November 30, 2020. The Board reminds the Town, that delaying the recovery of these

deficits will only add to the impact of the rate increase, and deficits should be submitted in a timelier manner without delays.

The Board notes that the deficit application submitted with the rate study is incomplete and rate rider calculations could not be verified. The Council Resolutions did not specify the proposed rate riders for the recovery of the 2018 and 2019 deficits. Further, the Town has stated that the deficits were “incurred because of a shortfall in water revenues stemming from a dispute with the Town’s largest utility customer, which is no longer a valid reason as this issue has been addressed and settled.

The Board directs the Town to submit revised deficit applications for approval and recovery of the 2018 and 2019 deficits incurred in the Minnedosa Water and Wastewater Utility by no later than April 30, 2021. The application must include a completed deficit application form, a PUB Schedule 9, the proposed combined rate rider amount and show how the rate rider was calculated.

4.0 IT IS THEREFORE ORDERED THAT:

1. The Town of Minnedosa's request for withdrawal of the application for revised water and wastewater rates for the Minnedosa Water and Wastewater Utility is HEREBY APPROVED.
2. The Town of Minnedosa file an application for revised water and wastewater rates by no later than July 30, 2021.
3. The Town of Minnedosa submit a complete application to recover the 2018 and 2019 deficits incurred in the Minnedosa Water and Wastewater Utility by no later than April 30, 2021.

Fees payable upon this Order - \$150.00

Board decisions may be appealed in accordance with 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.pubmanitoba.ca.

THE PUBLIC UTILITIES BOARD

"Shawn McCutcheon"
Panel Chair

"Rachel McMillin, B.Sc."
Assistant Associate Secretary

Certified a true copy of Order No. 42/21 issued by
The Public Utilities Board


J. Dubois
Assistant Associate Secretary