

Order No. 15/23

**ORDER RESPECTING
THE RURAL MUNICIPALITY OF RIDING MOUNTAIN WEST
ANGUSVILLE WATER AND WASTEWATER UTILITY
REQUEST TO REVIEW AND VARY
BOARD ORDER NO. 96/18
DISCONTINUE RATE RIDER FOR DEFICIT RECOVERY**

February 1, 2023

**BEFORE: Shawn McCutcheon, Panel Chair
Marilyn Kapitany, B.Sc. (Hon), M. Sc., Panel Member**

1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves the Rural Municipality of Riding Mountain West's (RM) request to vary the deficit recovery rate rider previously set in Board Order No. 96/18 for the Angusville Water and Wastewater Utility (Utility).

The Board grants approval to the RM to discontinue the deficit recovery rate rider effective January 1, 2023.

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

2.0 Background

This Board Order is best read in conjunction with Board Order No. 96/18.

In Board Order No. 96/18, issued July 23, 2018, the Board granted approval for operating deficits for the years 2014, 2015 and 2016 totalling \$72,846. The Board granted approval of a rate rider of \$11.19 per 1,000 gallons, for a period of five years or until fully recovered, beginning October 1, 2018.

3.0 Application

On November 8, 2022, the RM submitted a request that the Board review its decision made in Board Order No. 96/18 and allow the RM to discontinue the deficit rate rider. On November 22 and December 7, 2022, the RM provided a reconciliation of the amounts recovered to date and a Council Resolution supporting the request to the Board.

The RM provided evidence the remaining unrecovered portion of the total deficits approved in Board Order No. 96/18 was \$18,133 at September 30, 2022.

The RM has requested the variance due to its ability to recover the remaining amount of the deficit through its regular operating surpluses in 2022 and 2023.

4.0 Board Findings

The Board has reviewed the RM's request and finds the request to discontinue the rate rider a pro-active step by the Utility to reduce rates for its customers in what for many is a challenging financial time. Making this decision meets the criteria of protecting the financial well being of the Utility and of the ratepayers. The Utility has experienced a material change in its financial position, making this variance viable.

Board Order No. 55/20 directed the RM to review the financial position of the Utility and submit either a statement of rate adequacy or an application for revised rates on or before June 30, 2023. This directive remains in force and must be complied with.

The Board reminds the RM regular reviews are important for a financially sound utility and encourages the RM to review the Simplified Rate Application Process for municipally owned public utilities. If, after its rate review, the RM finds it meets the designated criteria for a simplified rate application, it should apply for future rates using the Simplified Rate Application Process.

5.0 IT IS THEREFORE ORDERED THAT:

1. The request by the Rural Municipality of Riding Mountain West, Angusville Water and Wastewater Utility, to discontinue the deficit rate rider approved in Board Order No. 96/18 BE AND IS HEREBY APPROVED effective January 1, 2023.
2. The Rural Municipality of Riding Mountain West review the Angusville Water and Wastewater Utility rates for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates (if applicable), on or before June 30, 2023.

Fees payable upon this Order – \$150.00

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.pubmanitoba.ca.

THE PUBLIC UTILITIES BOARD

"Shawn McCutcheon"
Panel Chair

"Jennifer Dubois, CPA, CMA"
Assistant Associate Secretary

Certified a true copy of Order No. 15/23 issued
by The Public Utilities Board


Assistant Associate Secretary