

Order No. 39/24

**PRAIRIE VIEW MUNICIPALITY
FOXWARREN WASTEWATER UTILITY
APPROVAL TO WITHDRAW SIMPLIFIED RATE APPLICATION
AND 2024 RATE ADEQUACY**

March 26, 2024

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

1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves the request to withdraw the Simplified Rate Application made by the Prairie View Municipality (Municipality) for the Foxwarren Wastewater Utility (Utility).

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

2.0 Background

On November 28, 2023, the Municipality applied to the Board for revised wastewater rates for the Utility. The Application was submitted using the Simplified Rate Application Process and accompanied by By-Law No. 2023-10 having received first reading on October 10, 2023. The Municipality provided an Affidavit certifying: the Utility meets all Board requirements for the Simplified Filing Process; the Utility is not experiencing any operating deficits; and the requested wastewater rates are expected to be adequate to meet operating costs for the period from January 1, 2024 to December 31, 2024.

A Public Notice of Application was issued on December 5, 2023, affording customers the opportunity to comment to both the Board and the Municipality with respect to the proposed rate increases. No responses were received.

On December 5, 2023, the Board received an application from the Prairie View Municipality (Municipality), Foxwarren Wastewater Utility (Utility) for approval of a 2021 total actual operating deficit in the amount of \$6,237, when calculated for regulatory purposes.

On January 31, 2024, the Board issued Board Order No. 18/24, approving the 2021 actual operating deficit to be recovered through the Utility's Accumulated Fund Surplus.

Working Capital Calculation

Board Order No. 93/09 established that utilities should maintain a minimum working capital surplus, in an amount equal to 20% of annual expenses. The working capital surplus/deficit is defined as the Utility fund balance, excluding any capital related items plus Utility reserves.

As per the 2022 audited financial statements for the Utility, the most recent information available, the working capital deficit at December 31, 2022 is as follows:

	2022
Fund Surplus	\$249,288
Deduct: Tangible Capital Assets	(156,174)
Add: Long-Term Debt	-
Add: Utility Reserve	20,742
Equals Working Capital Surplus	\$113,856
Operating Expenses	9,688
20% of operating expenses (Target)	\$1,938

The Utility meets the Board minimum working capital surplus of 20%.

3.0 Withdrawal of Rate Application

On March 1, 2024, the Municipality formally requested withdrawal of its Simplified Rate Application and submitted Council Resolution # 2024-032 dated February 13, 2024 in support of the request. The Resolution stated, “upon further review staff have deemed that the rates for the utility are currently sufficient”.

Along with the Municipality’s request, the Municipality also submitted a Statement of Rate Adequacy, stating the Utility is forecasting a surplus of \$261.00 for 2024 or a total net surplus of \$2,354.00 when calculated for regulatory purposes.

4.0 Board Findings

The Board has reviewed the Municipality's application to withdraw the Simplified Rate Application, supporting documentation, and Statement of Rate Adequacy for the Utility and finds it to be reasonable.

The Board approves the Municipality's request and directs the Municipality to review the Utility wastewater rates for adequacy and file a report with the Board, as well as an application for revised rates if required, by no later than October 1, 2024.

The Board directs the Municipality to return to the Board as soon as possible to request revised Utility rates if the forecasted rate requirements are insufficient to provide for Utility expenses for 2024.

5.0 IT IS THEREFORE ORDERED THAT:

1. The Prairie View Municipality's request for withdrawal of the Simplified Rate Application for revised wastewater rates for the Foxwarren Wastewater Utility is HEREBY APPROVED.
2. The Prairie View Municipality review the wastewater rates for adequacy for the Foxwarren Wastewater Utility and file a report with the Board, as well as an application for revised rates if required, by no later than October 1, 2024.

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 (Rules). The Board's Rules may be viewed on the Board's website at www.pubmanitoba.ca.

THE PUBLIC UTILITIES BOARD

"Irene Hamilton, K.C."

Panel Chair

"Frederick Mykytyshyn"

Assistant Associate Secretary

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by The Public Utilities Board



Assistant Associate Secretary