

## Schedule “A”

### Water and Wastewater Utilities – Determined Criteria and Minimum Filing Requirements for Municipalities Filing Applications for Revised Rates with the Public Utilities Board (Board) - Simplified Application Process (MFRSP)

The following determined criteria are required in order for a utility to qualify to apply for revised rates using the Simplified Process:

1. The utility must be compliant with all regulatory reporting, including but not limited to:
  - a. The audited financial statements being relied upon for evidence by the Board in the application must be current and prepared in compliance with *The Municipal Act* section.190.
  - b. All outstanding utility deficits should have received approval of the Board.
  - c. All directives from previous Board Orders should have been followed, including submitting copies of all by-laws after third reading, as required.
2. The utility must not be experiencing an operating deficit which is the lower of \$10,000 or 5% of operating expenses, when calculated for regulatory purposes. This includes the appropriate adjustments for capital grants and contributed assets as outlined in Board Order No. 151/08, available on the PUB website at [www.pubmanitoba.ca](http://www.pubmanitoba.ca).
3. The utility must not be experiencing an unexplained annual operating surplus which is in excess of 20% of operating expenses, when calculated for regulatory purposes. This includes the appropriate adjustments for capital grants and contributed assets as outlined in Board Order No. 151/08, available on the PUB website at [www.pubmanitoba.ca](http://www.pubmanitoba.ca). An example of an explained surplus would be a utility making an annual contribution to reserves for a planned expenditure; when providing the explanation, all details and supporting documentation about the intended purpose of the reserve should be included.

4. The municipality must have reviewed the utility operations and expects the requested rate will be adequate to meet operating costs for the year. If the revised rates are inadequate, the full rate application process should be initiated to apply for the necessary rate revisions.
5. The utility must be seeking a rate increase of no more than 3% over the current utility rate and the current utility rate must have been in effect for a minimum of one (1) year from the date of application under the Simplified Process. The revised rate must apply equally to all customers of the utility; however, the utility may request a different revision for the customer service charge, water and/or wastewater rates. For example, a qualified utility may request a 2% rate increase for water, a 1% increase in the customer service charge and no change in wastewater rates, if appropriate. A utility that has domestic and wholesale rates and only wishes to increase one of those rates must apply using the full application process.
6. Requests for multi-year increases will be denied; however utilities may make annual requests for rate increases using the Simplified Process, as long the utility continues to meet the designated criteria.
7. The Simplified Process is at the discretion of the Public Utilities Board, and applicants may be subject to the full application process at any time, and for any reason, without explanation or appeal.

The responsibility for determining whether or not a utility meets the designated criteria lies with the applicant utility. If a utility that clearly does not meet the designated criteria attempts to submit an application using the Simplified Process, the Board will deny the application, and charge a processing fee of \$500.00.

**Minimum Filing Requirements for Municipalities Filing Applications for Revised Rates with the Public Utilities Board (Board) - Simplified Application Process (MFRSP)**

1. Utility rates by-law, after first reading only, detailing rates, billing information, penalties, fees, etc and rescinding past by-law.
2. Copy of past by-law and Board Order No. approving the rates currently in use.
3. Signed affidavit asserting that the utility meets the Board's designated criteria, the utility is not experiencing an operating deficit, and the requested rate is expected to be adequate to meet operating costs for the year.
4. Explanation for an annual operating surplus in excess of 20% of operating expenses.
5. Audited financial statements and budget information must be up to date on Manitoba Municipalities Online (MMO), or submitted directly to the Board for review.

Once the MFRSP have been received:

- A Notice of Application will be drafted by the Board and, once approval has been received by the applicant, it must be published in conjunction with the Board's Rules of Practice and Procedure, which are available on the PUB website at [www.pubmanitoba.ca](http://www.pubmanitoba.ca).
- Once the Notice period has closed, the Board will review the evidence, and determine if the information provided is sufficient to make a decision, and whether to proceed by way of paper based review or call a public hearing.