

M A N I T O B A) Order No. 50/13
)
THE PUBLIC UTILITIES BOARD ACT) May 9, 2013

BEFORE: Susan Proven, P.H.Ec., Acting Chair
Marilyn Kapitany, B.Sc. (Hons.), M.Sc., Member

**RURAL MUNICIPALITY OF WHITEWATER
LOCAL IMPROVEMENT DISTRICT OF ELGIN
WATER AND SEWER UTILITY
ORDER VARYING BOARD ORDER NO. 151/12
ACTUAL DEFICIT FOR 2010**

WHEREAS the Public Utilities Board issued Order No. 151/08 on November 7, 2008 requiring all water and/or sewer utilities to report an actual year-end deficit to the Board if the utility:

1. had not received prior approval for the deficit from the Board and such deficit either exceeds \$10,000 or represents 5% of the utility's operating budget; or
2. had received prior approval for the deficit from the Board and the actual deficit:
 - a. exceeds the previously approved amount by either \$10,000 or 5% of the utility's operating budget; or
 - b. is caused as a result that differs from that upon which said approval was granted;

Summary

By this Order, the Public Utilities Board (Board) varies Board Order No. 151/12, for the Local Improvement District of Elgin (LID) water and sewer utility (Utility), in the Rural Municipality of Whitewater (RM).

Background

The RM applied in March 2012 for approval of actual deficits for 2010 and 2011. The 2010 deficit has previously been approved by Board Order No. 38/12, which allowed for recovery by means of future surpluses. On the March 2012 application, the RM requested that both the 2010 deficit of \$27,724 and the 2011 deficit of \$32,788 be recovered through a five year tax levy on taxpayers of the LID. This was approved by the Board on Order No. 151/12.

At the time of that application, the RM had not yet received their 2011 audited financial statements. Once the audit was complete, the updated information showed the Utility had experienced a surplus of \$698, instead of a deficit.

On December 19, 2012 the RM contacted the Board to advise of the change in 2011 year end results. Board staff advised that the RM should request in writing that the Board review and vary Order No. 151/12, with a supporting Council Resolution and a copy of the 2011 audited financial statements.

The RM submitted the information as requested in March 2013, with Council Resolution #10, requesting that the 2010 deficit recovery be changed to a three year rate rider.

Board Findings

The Board will vary Board Order No. 151/12 to remove the portion recovering the 2011 deficit. The recovery method for 2010 will be changed from a five year tax levy on the LID of Elgin to a three year rate rider on the Utility customers.

Calculation of the rate rider, based on the most recent information indicating there are 65 ratepayers connected to the Utility, is as follows:

Deficit	\$ 27,724.00
No. of ratepayers	65
Total deficit per ratepayer	\$ 426.52
Number of years to recover	3
Total annual deficit recovery	\$ 142.17
Quarterly deficit recovery	\$ 35.54

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.

IT IS THEREFORE ORDERED THAT:

- 1) The actual 2010 operating deficit, when calculated for regulatory purposes, of \$27,724 incurred in the RM of Whitewater - LID of Elgin be recovered through a rate rider against the ratepayers of the LID of Elgin Water and Sewer Utility over the next three (3) years is HEREBY APPROVED;

- 2) The RM of Whitewater - LID of Elgin Water and Sewer Utility provide notification of the approved rate rider to all of its customers no later than the next billing cycle.

Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

"SUSAN PROVEN, P.H.Ec."
Acting Chair

"JENNIFER DUBOIS, CMA"
Acting Secretary

Certified a true copy of Order No.
50/13 issued by The Public
Utilities Board

Acting Secretary