

EPCOR PBR Applications - EPCOR Responses to Public Submissions and Application Reviews

2022-2026 Water Services Application, 2022-2024 Wastewater Treatment and Drainage Services Applications

Recommendation

That Utility Committee recommend to the August 16, 2021, City Council meeting:
That the June 25, 2021, Financial and Corporate Services report FCS00627, be received for information.

Executive Summary

This report provides the written responses from EPCOR Water Services Inc. to reviews completed by the Utility Advisor and Administration, as well as submissions received from the public, with respect to the performance based rates applications to establish new customer rates for Water Services for the five year period April 1, 2022 to March 31, 2027, and for each of Wastewater Treatment and Drainage Services for the three year period April 1, 2022 to March 31, 2025.

Report

In February 2021, EPCOR Water Services Inc. (EWSI) submitted performance based rates (PBR) applications and proposed bylaws for approval by City Council to establish customer rates for Water Services for the five year period April 1, 2022 to March 31, 2027 (proposed EPCOR Water Services Bylaw 19626), and for each of Wastewater Treatment and Drainage Services for the three year period April 1, 2022 to March 31, 2025 (proposed EPCOR Drainage Services and Wastewater Treatment Bylaw 19627).

The regulatory process and guiding objectives for Utility Committee and City Council to assess the EWSI performance based rates applications were approved by Council on February 22, 2021 (Financial and Corporate Services report FCS00306). The process includes EWSI providing responses to written reports submitted by the Utility Advisor and Administration, as well as submissions received from the public by May 31, 2021.

One submission was received from the public and is included in Attachment 1. Seven separate recommendations were included in that submission. In accordance with the regulatory process, EWSI has provided a written response to Public Submission 1, which is included in Attachment 2. EWSI suggests that a number of the

recommendations outlined in Public Submission 1 are outside the scope of EWSI's PBR applications and its responsibilities and mandate. Administration agrees with EWSI's opinion but offers the following in respect of those recommendations:

- The City of Edmonton works closely with EWSI on matters impacting utility service, including growth and development city-wide. Through new policy tools, such as The City Plan, and development of projects such as the Zoning Bylaw Renewal, discussion between City Administration and staff at EWSI has already begun around the topic of adapting service to Edmontonians. Implementation of EPCOR's Integrated Resource Plans will further impact approaches to service delivery, and the exploration of some of the suggested actions will take place along with other options to ensure continued high levels of service and quality;
- A "Reverse Yard Sump" as mentioned in recommendation number two of the submission, is one of the many options available for source control of stormwater. This option may not be feasible in all situations. The City promotes LID as a means of source control;
- Catch Basin screens may be effective in certain situations and EWSI may consider implementing them in locations where they can reduce maintenance costs; and
- Systems are in place to review and approve lot grading plans for infill development intended to direct stormwater to public right-of-way. Inspections provide for follow up and enforcement action is undertaken as required. Through Action 17 of the Infill Roadmap, the City is committed to investigating new processes and mechanisms to improve lot grading in infill situations and works collaboratively with EWSI.

EWSI has also submitted responses to the reports from Administration (provided in Financial and Corporate Services report FCS00624) and the Utility Advisor (provided in Financial and Corporate Services report FCS00625) regarding the rates applications. Both those reports are also being considered at the June 25, 2021, Utility Committee meeting. EWSI's response to the reports are included in Attachment 3.

Corporate Outcomes and Performance Management

Corporate Outcome(s): The City of Edmonton has sustainable and accessible infrastructure.			
Outcome(s)	Measure(s)	Result(s)	Target(s)

Oversight and transparency of EPCOR water, wastewater and drainage services.	Annual and periodic reporting to Utility Committee of financial performance, operating and capital programs, and service quality levels.	Annual Progress Report - Water, Wastewater, Drainage (Fall 2020) Annual Operational Plan (Feb 2021) Performance Based Rates Applications (Feb 2021)	Annual Progress Report - Water, Wastewater, Drainage (June) Annual Operational Plan (Q1)
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Attachments

1. Public Submission 1
2. EWSI Response to Public Submission 1
3. EWSI Response to City of Edmonton PBR Review Reports

Others Reviewing this Report

- C. Owen, Deputy City Manager, Communications and Engagement
- S. McCabe, Deputy City Manager, Urban Planning and Economy
- K. Fallis-Howell, Acting City Solicitor