

Bylaw 18094

To Amend the EPCOR Rates Procedures Bylaw 12294 Amendment No. 3 - Performance Based Rate Application - Increasing Public Awareness

Recommendation:

That Utility Committee recommend to the July 11, 2017, City Council meeting:

That Bylaw 18094 be read a first time.

Purpose

To amend the EPCOR Rates Procedures Bylaw 12294 to add mechanisms outside of the rate setting process for the Utility Committee to review the operation and performance of utility services owned by EPCOR and regulated by City Council and to facilitate increased awareness of, and engagement in, the Performance Based Rate Application for these utility services.

Readings

Although Bylaw 18094 is ready for three readings, it is recommended that second and third readings of Bylaw 18094 be coordinated with Bylaw 18100 EPCOR Drainage Services Bylaw.

This Bylaw is authorized under the *Municipal Government Act*, RSA 2000, Ch M-26. A majority vote of City Council on all three readings is required for passage.

Advertising and Signing

No advertising is required for the passage of this Bylaw 18094.

Position of Administration

Administration supports this Bylaw.

Report Summary

This report requests first reading of Bylaw 18094.

Previous Council/Committee Action

At the April 12, 2017, City Council meeting, the following motions were passed:

4. That the City Manager prepare recommendations for revisions to Bylaw 12294 -

EPCOR Rates Procedures Bylaw to provide Council or Utility Committee with the authority to require EPCOR to provide:

- a. Periodic reports relating to the utilities regulated by Council,
- b. Reports relating to information requested by Utility Committee,
- c. Audit Reports.

and

That Administration work with EPCOR to report back to Utility Committee on increasing awareness of, and engagement in, the Performance Based Rate Application when the Rates and Procedures Bylaw returns to Utility Committee on June 9, 2017.

Report

On April 12, 2017, City Council approved the transfer of the Drainage Utility to EPCOR in accordance with a Letter of Intent based on certain transfer principles. One of the transfer principles was that mechanisms would be put in place to address and include transparency of operations of the Drainage Utility, opportunity for equivalent public involvement, a right to audit, and an inquiry process to ensure the regulator and public can stay involved outside the Performance Based Rates process.

At the time that City Council approved the Drainage Utility transfer, Council also requested that Administration work with EPCOR to report back to Utility Committee on increasing awareness of, and engagement in, the Performance Based Rate Application.

Currently, the EPCOR Procedures and Committees Bylaw 12294 provides a procedure for City Council to approve rates applicable to any utility service provided by EPCOR within the boundaries of the city of Edmonton which the City has authority to approve. Once the Drainage Utility transfer has occurred, the setting of rates by City Council for the Drainage Utility will fall under this Bylaw.

The proposed amendments to the EPCOR Rates Procedures Bylaw 12294 expand the scope of the Bylaw as follows:

- provides a mechanism for a review process of utility operations outside of the rates approval process by requiring EPCOR to provide the Utility Committee with information and reports, including audit reports, related to the operation and performance of the utility services that Council regulates, upon request by the Utility Committee or City Council,
- adds a requirement that EPCOR provide the Utility Committee with a related public awareness and engagement plan consistent with the City's public

engagement policy at least 18 months prior to the effective date for rates that EPCOR seeks to set or amend, and EPCOR must carry out public awareness and engagement activities consistent with this plan, and

- revises the name of the Bylaw to reflect the expanded scope of the Bylaw.

These proposed amendments facilitate transparency of operations of the Drainage Utility by providing a mechanism for the Utility Committee to require EPCOR to provide periodic reports relating to the utilities regulated by Council and other informational reports, including audit reports. The amendments also provide an opportunity for increased public awareness and engagement both within and outside the Performance Based Rate Setting process.

Policy

This Bylaw is consistent with the Letter of Intent between the City of Edmonton and EPCOR concerning the transfer of the Drainage Utility from the City of Edmonton to EPCOR.

Corporate Outcomes

This Bylaw facilitates the ability of the Utility Committee to retain an oversight authority over the Drainage Utility after the transfer of this utility to EPCOR that is consistent with the Utility Committee's current authority, and to ensure transparency of operations of the utilities City Council regulates. This supports the following corporate outcomes:

- The City of Edmonton has sustainable and accessible infrastructure
- The City of Edmonton has a resilient financial position.

Public Engagement

There has been no public engagement on the proposed amendments to the EPCOR Rates and Procedures Bylaw 12294, as the amendments are an expansion of the oversight authority of the Utility Committee pursuant to the direction of City Council.

Metrics, Targets and Outcomes

Metrics	Targets	Outcomes
<ul style="list-style-type: none">• Reporting to Utility Committee of financial performance, operating and capital programs, and service quality levels• Public awareness and	<ul style="list-style-type: none">• Annual and periodic reporting• 18 months prior to effective	<ul style="list-style-type: none">• Increased oversight and transparency of EPCOR water, wastewater and drainage services• Increased awareness and

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engagement plan submitted to Utility Committee	date for amended rates	engagement of public in EPCOR Performance Based Rate applications
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Justification of Recommendation:

This amending Bylaw would enable the Utility Committee to review the operation and performance of the Drainage Utility services outside of the rate setting process and would facilitate increased awareness of, and engagement in, the Performance Based Rate Application for utility services owned by EPCOR and regulated by City Council. In order to ensure consistency with the new Bylaw 18100 EPCOR Drainage Services Bylaw, which is subject to a non-statutory public hearing prior to second and third readings, it is recommended that second and third readings of Bylaw 18094 be coordinated with second and third readings of Bylaw 18100 EPCOR Drainage Services Bylaw.

Attachments

1. Bylaw 18094
2. Summary of Proposed Amendments – Bylaw 12294