



**Question:** COE-EWSI-22

**Topic:** Non-Routine Adjustment - CORE

**Reference:** *In response to COE-EWSI-19 (Table 19.b-2), EWSI noted that for the Corrosion and Odour NRA the 2018-21 actual/forecast revenue requirement impact is \$14.8 million in comparison to the approved NRA of \$10.8 million. EWSI also noted that “The majority of the capital expenditure variance is attributable to reclassifying EWSI’s CORE Large Trunk Rehabilitation Program within the CORE strategy under the CORE Prevent theme because these projects target rehabilitation of large trunks with high levels of corrosion in emerging odour areas in the network”. Par. 423 of the Drainage Application also provides an explanation regarding “a \$66.5 million increase for EWSI’s new CORE Large Trunk Rehabilitation Program. The large trunk projects are now included under the CORE because these projects target rehabilitation of large trunks with high levels of corrosion in emerging odour areas in the network.”*

Please provide the 2018-2021 actual/forecast revenue requirement impact for the CORE non-routine adjustment if the operating and capital costs associated with the reclassification of the Large Trunk Rehabilitation Program (\$66.5 million) are removed from the CORE NRA calculation (in the same format as the \$14.8 million provided in Table 19.b-2).

**EPCOR RESPONSE:**

Please see table COE-EWSI-22 below:

**Table COE-EWSI-22**  
**Drainage - CORE NRA excluding Large Trunks Rehabilitation Program**  
**2018-2021 PBR Term**  
**(\$ millions)**

	A	B	C
	Approved	Actual / Forecast	Variance
1 Operating costs	8.1	7.4	(0.7)
2 Capital Expenditures <sup>1</sup>	62.1	57.0	(5.1)
3 Revenue Requirement Impact	10.8	11.8	1.0

<sup>1</sup> Actual/forecast capital expenditures include ¼ of the 2022 total capital expenditure forecast.