



EPCOR WATER SERVICES: 2027 WATER PERFORMANCE-BASED REGULATION EXTENSION PROPOSAL

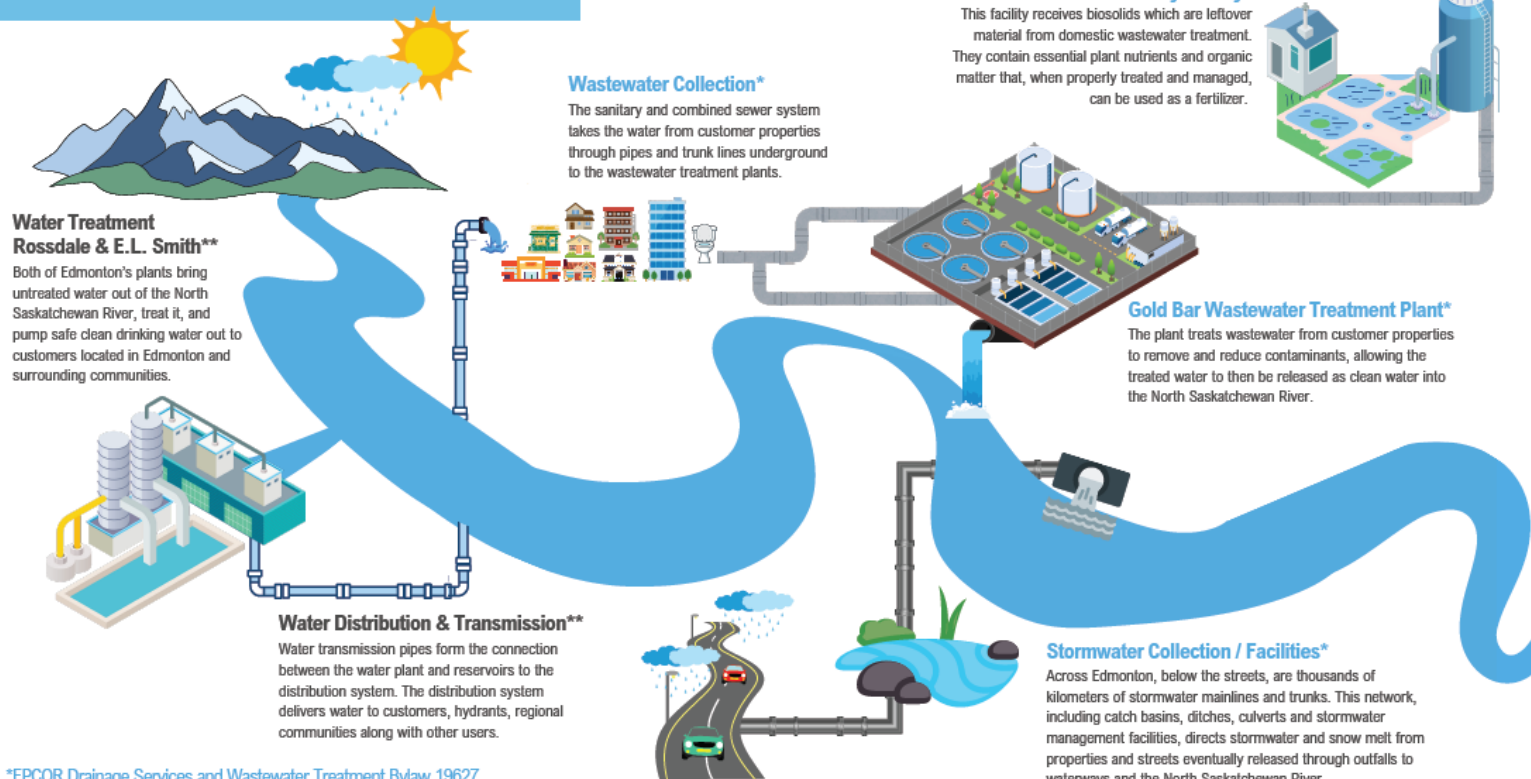
EPCOR Water Services
June 2025

Overview

- Work underway on 2028 Consolidated PBR Filing for Water and Wastewater Services to align with a “one water” approach
- Water PBR rates set to expire March 31, 2027
- Nine-month extension required to align PBR periods
- EPCOR Water Services proposing an extension of the currently approved PBR framework

EPCOR Water Services Utilities

EPCOR WATER SERVICES UTILITIES



*EPCOR Drainage Services and Wastewater Treatment Bylaw 19627

**EPCOR Water Services Bylaw 19626

The Value of an Integrated Approach

- Enables operational visibility for the complete water cycle
- Creates opportunity to more effectively manage and make decisions about the utilities on an integrated basis
- Offers a more predictable, repeatable cycle for approving rates
- Provides increased flexibility to respond to emerging needs across all utilities during a PBR term
- Streamlines regulatory process to reduce the regulatory burden
- Aligns timeline of the PBR review and approval with the municipal election cycle

Roadmap to a Consolidated PBR

EWS Utility	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Water	Five-year Water PBR					Nine-month Extension	Four-year Consolidated Water & Wastewater Services PBR			
Wastewater Collection (Sanitary & Stormwater)	Three-year Wastewater Collection PBR			Three-year Wastewater Services PBR						
Wastewater Treatment	Three-year Wastewater Treatment PBR									

Summary of Proposed Extension

- Extend current PBR term by nine months
- Adjust 2026 rates using inflation minus efficiency factor (i-x)
- Maintain current approved performance standards to incent performance and ensure strong customer outcomes
- Defers realignment of revenues and costs for EPCOR Water Services until consolidated PBR
- Negates the requirement for a full cost-of-service rebasing

Benefits of Proposed Extension Approach

- Maintains PBR incentives and performance measures
- Minimizes regulatory burden and cost
- Ensures fair and reasonable rates
- Continuity and predictability for customers
- Ensures sufficient investment in utility infrastructure

Timeline: Proposed Bylaw Changes

Minimal adjustments required, except updated expiry and administrative changes to reflect current practices

**June 23,
2025**

Utility
Committee
Proposal
Review



Q3 2025

City Council
approves
Bylaw
updates



**Before March
2027**

EWS submits
updated rate
schedule



**Mid-March
2027**

City Manager
approves
rates

Questions?