



EPCOR WATER SERVICES

2024 Progress Report
Performance Based Regulation (PBR)
June 2025

Why we're here

2024 Water Utilities Progress Report

- Requirement under Bylaw 19626 (Water) and 19627 (Wastewater)
- Financial and operational performance measures approved by Council
- Reflects actual results for Water and Wastewater in Edmonton
- Updated financial and performance measures have been established for Wastewater for 2025-2027 PBR term
- 2028 Consolidated PBR will reflect updates for both Water and Wastewater

Presentation overview

- Overview of PBR reporting
- 2024 financial performance
- Customers and consumption forecasts
- Reliable operations and service delivery
- Capital expenditures

Guiding objectives of PBR

Edmonton's PBR process is grounded in long-standing principles:

**Safe and reliable utility
service**

**Customer charges
based on cost of
service**

**Opportunity to earn a
fair return**

**Environmental
objectives aligned to
City goals**

**Service quality is
ensured through
performance measures**

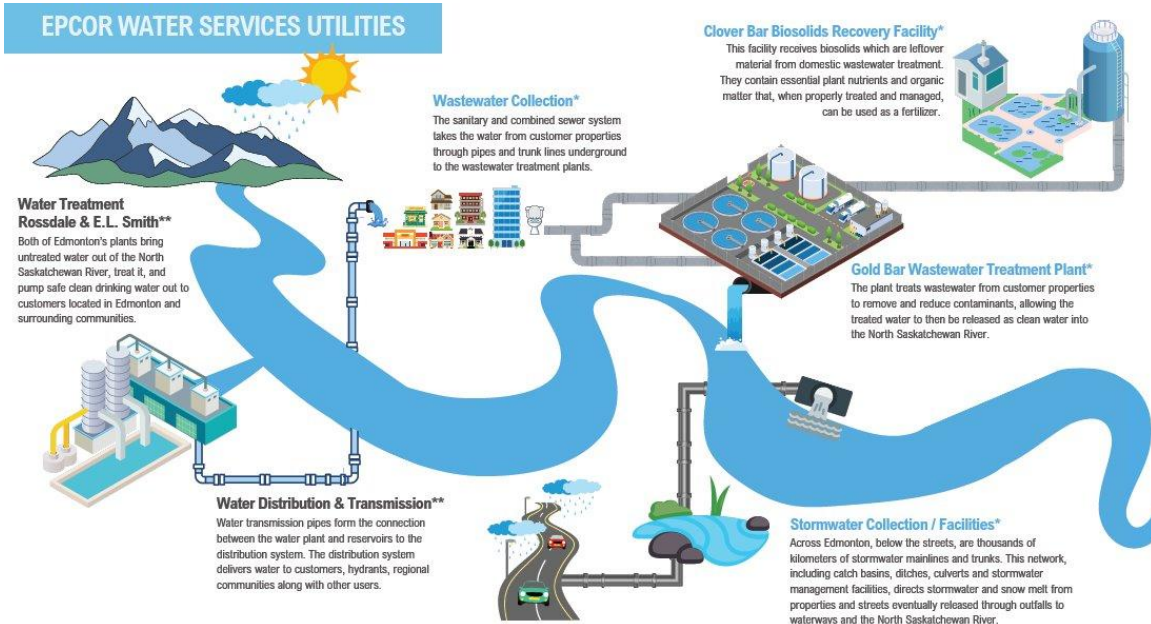
**Rate approval timing
matches financial
needs**

Benefits of PBR

- ✓ Customers receive stable and predictable rates
- ✓ Risks are borne by utilities, not customers
- ✓ Utilities have an incentive to seek efficiencies and cost savings
- ✓ Utilities are accountable for meeting performance standards set by the regulator
- ✓ Administrative burden is reduced by multi-year filings rather than annual filings

Performance Based Regulation shifts risks from customers to the utility, providing greater stability in customer bills

This progress report covers all of EPCOR's water and wastewater utilities



- Water Treatment
- Water Distribution
- Wastewater Treatment
- Wastewater Collection – sanitary
- Wastewater Collection – stormwater

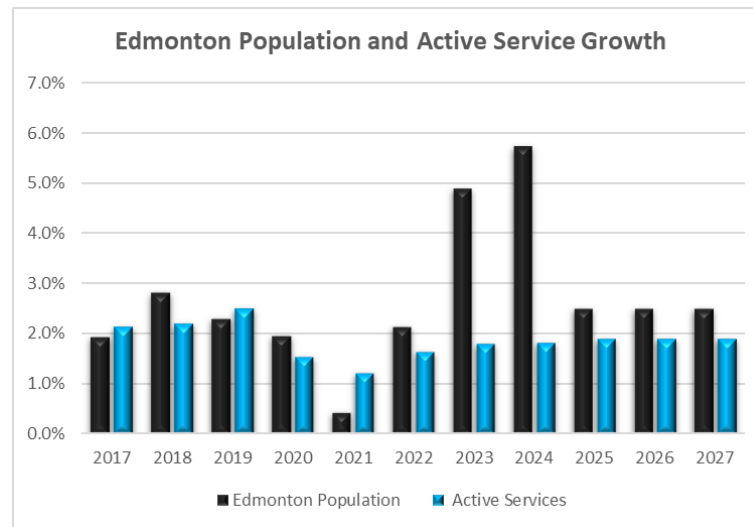
2024 financial performance

Results are in line with what Utility Committee approved in our PBR applications

	In-City Water		Wastewater Treatment		Wastewater Collection		EWS Total	
	PBR	Actual	PBR	Actual	PBR	Actual	PBR	Actual
Revenue (\$M)	242.7	254.9	131.8	137.9	273.6	278.2	648.1	671.0
Operating Costs (\$M)	118.1	122.9	77.4	88.4	121.0	128.8	316.5	340.1
Capital (\$M)	121.9	139.7	43.6	58.8	279.3	213.9	444.8	412.4
ROE (\$M)	54.0	60.1	21.8	17.7	66.3	60.3	142.1	138.1
ROE %	9.51%	10.72%	9.07%	8.20%	7.77%	7.32%		
Rate Base (\$M)	1,414.8	1,404.6	600.8	538.4	2,133.1	2,059.0	4,148.7	4,002.0

Customers and consumption forecasts

- Residential water consumption per person continues to decline
- Consumption per service connection is slightly increasing, attributed to more people per household given increased densification and multi-family developments
- We're seeing a similar water use trend for multi-residential and commercial customers
- We're doing further analysis to inform our future forecasting and adjust for density



Customers and consumption forecasts

In-City Water	PBR	Actual	% Change
Customers			
Residential	287,954	293,381	1.9%
Multi-Residential	3,811	3,870	1.5%
Commercial	20,283	20,631	1.7%
Total Customers	312,048	317,882	1.9%
Annual Consumption (ML)			
Residential	44,712	51,601	15.4%
Multi-Residential	17,595	20,048	13.9%
Commercial	23,476	24,494	4.3%
Total Consumption	85,784	96,143	12.1%
Consumption per Customer (m3 per month)			
Residential	12.9	14.7	14.0%
Multi-Residential	384.7	431.7	12.2%
Commercial	96.5	98.9	2.5%

Reliable operations and service delivery

- We successfully delivered safe, reliable service, achieving results strongly aligned with our commitments
- We demonstrated our readiness for managing operational upsets and emerging risks, and our focus on continuous improvement in response
 - E.L. Smith event in January 2024 has led to resiliency projects and revisions to demand management measures
 - Confirmed our risk mitigation approach following transmission main events in other municipalities
- **Our performance measure results signal a strong year during which we maintained a high degree of reliability throughout our systems**

Water Services Operational Performance Measures

Performance Measure	Benchmark	Standard	Actual
Water Quality Index	Non-suspect test results	99.70%	99.65%
Customer Service Index			
Post Service Audit Measure	% satisfied	75.0%	91.0%
Home Sniffing Measure	% satisfaction	94.4%	95.0%
Response Time Measure	min to confirm breaks	25.0	15.1
Planned Construction Impact Measure	% compliance	95.8%	100.0%
System Reliability & Optimization Index			
Water Main Break Measure	# of breaks	365	242
Repair Duration Measure	% fixed within 24 hrs	95.4%	97.3%
Water Loss Measure	leakage index (ILI)	1.23	1.27
System Energy Efficiency Measure	kWh / ML treated	281	238
Environmental Index			
Water Conservation (Residential) Measure	m ³ /month/household	16.8	14.6
Environmental Incident Management Measure	# of incidents	5	1
Solids Residual Management Measure	# days	120	91
Safety Index			
Near Miss Reporting Measure	# completed	550	625
Work Site Inspections/Observations Measure	# conducted	1,032	3,405
Lost Time Frequency Rate	frequency rate	0.40	0.07
All Injury Frequency Rate	frequency rate	1.00	0.49

**Standards
met on 4 out
of 5 indices**

Wastewater Treatment Operational Performance Measures

Performance Measure	Benchmark	Standard	Actual
Water Quality & Environment Index			
Wastewater Quality Measure	WELP	26.0	23.9
Environmental Incident Measure	# of incidents	5	1
Customer Service Index			
H ₂ S - 1-hour Exceedance Measure	exceedance std	4	0.0
H ₂ S - 24-hour Exceedance Measure	exceedance std	1	0.0
Scrubber Uptime Measure	% on-line	96.0%	68.1%
System Reliability and Optimization Index			
Enhanced Primary Treatment Measure	% in use	94.0%	100.0%
Biosolids Inventory Reduction Measure	relative reduction	1.05	0.86
Energy Efficiency Measure	kWh / ML treated	508	492
Safety Index			
Near Miss Reporting Measure	# completed	220	457
Work Site Inspection/Observation Measure	# conducted	919	1,955
Lost Time Frequency Rate	frequency rate	0.75	0.10
All Injury Frequency Rate	frequency rate	1.00	0.42

**Standards
met on 3 out
of 4 indices**

Wastewater Collection Operational Performance Measures

Performance Measure	Benchmark	Standard	Actual
Environmental Index			
Stormwater Flow & Flow Monitoring Measure	% area monitored	63.0%	76.3%
Environmental Incident Management Measure	% reportable	50%	6%
Green Hectares Measure	managed area	180.0	182.7
Customer Service Index			
Service Maintenance Calls Measure	% resolved in 24h	80.0%	91.9%
Emergency Dig-Ups – Service Restored	% restored in 48h	98.0%	98.0%
Service Connections Measure	% within 6 weeks	85.0%	97.8%
Sewer Odour Hotspots Measure	% city area	14.5%	2.6%
System Reliability and Optimization Index			
Blocked Sewers Measure	# per 100 km	2.10	3.64
Sewer Renewal Measure	km renewed	60.0	44.5
Infrastructure Condition Rating Level Measure	% > minimum	90.0%	90.1%
Full Property Flood Proofing Inspections	# inspections	750	1,246
Safety Index			
Near Miss Reporting Measure	# completed	750	1,991
Work Site Inspection/Observation Measure	# conducted	1,300	4,076
Lost Time Frequency Rate	frequency rate	0.75	0.08
All Injury Frequency Rate	frequency rate	4.00	0.32

**Standards
met on 3 out
of 4 indices**

Integrated linear asset operations

- In mid-2024, we began further integrating our water and wastewater teams to improve customer experience and achieve efficiencies
- This integration is also paving the way for an Integrated Operations Centre (IOC) – a centralized hub where integrated monitoring and control and increased coordination will help drive more proactive responses
- Our Advanced Metering Infrastructure (AMI) project will support these efforts by providing real-time water data and leak detection alerts

Linear assets are the pipes that move water and wastewater, along with associated infrastructure like pump and lift stations and stormwater ponds

Capital expenditures

Projects fall into four categories:

- Reliability and Lifecycle Replacement
- Regulatory, Health, Safety and Environment
- Efficiency and Performance Improvement
- Growth and Customer Requirements

Forecast capital investments are included in our PBR applications to inform future rates and identify priority projects

We maintain flexibility in our plans to respond to evolving system needs and external factors, such as population growth rates

Capital expenditures

In 2024, much of our focus was on investing in growth, city requirements and flood protection

- Supporting city growth: completed higher than anticipated volume of utility infrastructure relocates to support LRT expansion and Yellowhead Trail upgrades
- Advancing flood protection projects: completed flood wall at Rosssdale reservoir cell 2; flood wall at E.L. Smith, barrier construction at E.L. Smith and installation of outfall control gates at both plants are all currently underway
- Mitigating odours: continued to advance projects that are reducing sewer odours in the city, including in key areas like Lauderdale, Mill Creek and southwest Edmonton (Steinhauer to Bonnie Doon)

Capital expenditures: In-City Water

Project Category	2024		2022-2026	
	PBR	Actual	PBR	Projection
Regulatory	5.0	10.2	25.5	45.8
Growth/Customer Requirements	56.0	36.7	206.1	220.0
Health, Safety and Environment	1.6	2.8	11.4	30.8
Reliability and Life Cycle Improvements	38.3	73.6	235.4	328.2
Performance Efficiency and Improvements	29.3	33.8	83.0	110.6
Capital Expenditures before Contributions	130.2	157.1	561.5	735.4
Contributions	(8.2)	(17.4)	(51.0)	(65.3)
Capital Expenditures, net of Contributions	122.0	139.7	510.4	670.1

Capital expenditures: Wastewater Treatment

Project Category	2024		2022-2024	
	PBR	Actual	PBR	Actual
Regulatory	2.3	0.9	5.6	2.2
Growth/Customer Requirements	0.8	0.5	5.5	4.5
Health, Safety and Environment	0.4	1.0	0.8	9.3
Reliability and Life Cycle Improvements	37.2	48.5	141.4	126.1
Performance Efficiency and Improvements	2.8	7.9	18.4	15.2
Capital Expenditures before Contributions	43.6	58.8	171.7	157.3
Contributions	-	-	-	-
Capital Expenditures, net of Contributions	43.6	58.8	171.7	157.3

Capital expenditures: Wastewater Collection

Project Category	2024		2022-2024	
	PBR	Actual	PBR	Actual
Drainage Neighbourhood Renewal Program	27.3	17.8	76.5	52.5
Drainage System Expansion	19.6	19.8	57.6	64.7
Drainage System Rehabilitation	64.1	72.4	166.0	196.8
Flood Mitigation	9.7	0.2	47.7	28.3
Real Estate	-	-	-	26.8
Stormwater Integrated Resource Plan	93.6	64.4	233.3	147.6
Sanitary Servicing Strategy Fund	16.5	0.1	38.6	11.0
Corrosion and Odour Reduction	65.2	66.1	180.4	176.3
LRT Relocates	13.8	8.2	48.5	59.6
Capital Expenditures before Contributions	309.7	249.0	848.7	763.6
Contributions	(30.5)	(35.1)	(94.3)	(65.9)
Capital Expenditures, net of Contributions	279.3	213.9	754.3	697.7

QUESTIONS?