



EPCOR WATER SERVICES - 2027 EXTENSION OF WATER PERFORMANCE BASED REGULATION

RECOMMENDATION

That Utility Committee recommend to City Council:

That the EPCOR Water Services - 2027 Water Rates Extension framework, as recommended in Attachment 1 of the June 23, 2025, EPCOR Water Services report EXT03098, be approved.

Report Purpose

Council decision required.

Executive Summary

- This report by EPCOR Water Services (EWS) provides the recommended approach for establishing EWS' water rates for the period effective April 1, 2027 to December 31, 2027.

REPORT

Council regulates ("In-City Water") in accordance with the 2022-2026 Performance Based Regulation ("PBR") Plan approved in Bylaw 19626 - EPCOR Water Services ("Bylaw 19626") and Wastewater Collection and Wastewater Treatment services in accordance with the 2025-2027 PBR Plan approved in Bylaw 20865 - EPCOR Wastewater Services ("Bylaw 20865"). EWS' water rates for the 2022-2026 PBR term is set to expire on March 31, 2027; whereas wastewater rates are set to expire on December 31, 2027.

In 2023, EPCOR completed a comprehensive restructuring, integrating the water and wastewater utilities into one business unit. To fully realize the benefits of this integration, a consolidated and integrated PBR utilizing a "one water" approach will be introduced effective January 1, 2028. Since water rates under Bylaw 19626 are set to expire on March 31, 2027, an interim mechanism is required to establish water rates for the April 1, 2027 to December 31, 2027 period.

Attachment 1 of this report outlines EWS' recommended framework for establishing water rates for the interim period, April 1, 2027 to December 31, 2027.

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Next Steps

EWS will work with Administration to amend Bylaw 19626 and submit for Council approval.

ATTACHMENT

1. EPCOR Water Services - Performance Based Regulation 2027 Water Rates Extension