

BYLAW 21300 - To Amend EPCOR Water Services Bylaw 19626, Amendment No. 1

Recommendation

That Utility Committee recommend to City Council:

That Bylaw 21300 be given the appropriate readings.

Purpose

This Bylaw amends Bylaw 19626 EPCOR Water Services Bylaw to establish interim customer rates for Water services provided by EPCOR Water Services Inc. (EWSI) for the nine month period of April 1, 2027 to December 31, 2027.

Readings

Bylaw 21300 is ready for three readings.

A majority vote of City Council on all three readings is required for passage.

If Council wishes to give three readings during a single meeting, then prior to moving to third reading, Council must unanimously agree “That Bylaw 21300 be considered for third reading.”

Advertising and Signing

Notice of an amendment to EPCOR Water Services Bylaw 19626 will be advertised on the City’s public website for 10 days before the Utility Committee meeting on September 2, 2025.

Previous Council/Committee Action

At the July 2, 2025 City Council meeting, the following motion was passed:

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

REPORT

At the July 2, 2025, City Council meeting, Council approved the recommendations outlined in the external report EXT03098, EPCOR Water Services - 2027 Extension of Water Performance Based

BYLAW 21300 - To Amend EPCOR Water Services Bylaw 19626, Amendment No. 1

Regulation. This report outlined the proposed approach for establishing EWSI water rates for the period effective April 1, 2027 to December 31, 2027. Currently the EWSI water rates are set to expire March 31, 2027, whereas the EPCOR Wastewater Services rates are set to expire December 31, 2027.

A consolidated and integrated Performance Based Regulation (PBR) utilizing a “one water” approach will be introduced as of January 1, 2028, which sees the consolidation of the water and wastewater utilities. In Bylaw 19626 EPCOR Water Services Bylaw, rates are set to expire March 31, 2027 and an interim mechanism is proposed to extend these rates to December 31, 2027 with adjustments for inflation less an efficiency factor. This will result in matching the effective dates for the water rates to the existing timeline for the wastewater rates approved in Bylaw 20865 EPCOR Wastewater Services, with both ending December 31, 2027.

EPCOR believes this will result in a streamlined and efficient approach that is fair for the utility rate payer and EWSI, minimizing regulatory burden through maintaining the currently approved rate structure.

EWSI’s Recommendations (EXT03098 EPCOR Water Services - 2027 Extension of Water Performance Based Regulation Attachment 1)

On July 2, 2025, Council approved the following changes to be made to Bylaw 19626 EPCOR Water Services, with the bylaw returning for final approval to Utility Committee and Council:

1. Extend the PBR term by nine months and shift the expiry of associated rates from March 31, 2027 to December 31, 2027.
2. Lower the non-standard meter read charge for customers requesting non-standard meters from \$49.03 per month to \$25.00 per month.
3. To comply with changes to the Criminal Interest Rate Regulations SOR/2024-114, EWSI proposes to only charge 2.5 per cent per month, not compounded, and remove a yearly late payment charge of 45.6 per cent.
4. Adjust the ending date on the Special Rate Adjustment for Re-Basing (inflation less the efficiency factor) to the Consumption Charges for each customer class and Fixed Monthly Service Charges to the period ending from April 1, 2027 to December 31, 2027.

Change To EWSI’s EXT3098 Recommendations

After Council approval of EWSI’s recommendations outlined in report EXT03098 on July 2, 2025, EWSI proposed one further adjustment:

1. Schedule 1, Part III (Non-Standard Meter Read Charge) - Removal of the proposed change to the Non-Standard Meter Read Charge from \$49.03 per month to \$25.00 per month.

This adjustment is to ensure the recovery of costs associated with customers who have not responded to EPCOR’s request to install a new water meter reading device. This removes point 2 of the originally approved changes listed above, and results in this section being unchanged from the original bylaw 19626.

BYLAW 21300 - To Amend EPCOR Water Services Bylaw 19626, Amendment No. 1

Community Insight

Notice of an amendment to EPCOR Water Services Bylaw 19626 will be advertised on the City's website starting August 20 for 10 days, in advance of the September 2, 2025 Utility Committee meeting. Members of the public may register to speak and provide feedback on the bylaw at Utility Committee.

Budget/Financial Implications

The extension of Water Services' currently approved PBR by nine months for the period between April 1, 2027 to December 31, 2027, is a part of the consolidated and integrated PBR "one water" approach which will be introduced on January 1, 2028.

The "one water" approach will see the consolidation of water and wastewater services utilities. Moving from two PBRs in 2027 to one will reduce the draw on City administrative resources required during the PBR application review process and reduce the regulatory burden on Council to review one PBR instead of two. The extension will mean that water services will not be required to prepare a nine-month PBR. This change will not directly affect the City's budget.

Legal Implications

City Council has the authority to pass Bylaw 21300 under section 7 of the *Municipal Government Act*, RSA 2000, c M-26, through the powers to pass bylaws for public utilities. Public utilities that are owned or operated by a controlled corporation and provide a utility service within the boundaries of the municipality are exempt from regulation by the Alberta Utilities Commission pursuant to s 75.4 of the *Municipal Government Act*.

Attachments

1. Bylaw 21300 to amend EPCOR Water Services Bylaw 19626, Amendment No. 1
2. EPCOR Water Services Bylaw 19626 (Redline)

Others Reviewing the Report

- M. Gunther, Acting City Solicitor