

Administration and EPCOR Response to Utility Advisor Recommendations Regarding Proposed Bylaw 15816

Recommendation:

That the October 26, 2011, Financial Services report 2011CA3551 be received for information.

Report Summary

This report provides information in response to questions raised at Utility Committee with respect to proposed Bylaw 15816 EPCOR Water Services and Wastewater Treatment Bylaw. Bylaw 15816 is intended to set the 2012 – 2017 water services and wastewater treatment rates for in-city customers under a performance based rates model. Bylaw 15816 is also on the agenda for City Council consideration of second and third reading.

Previous Council/Committee Action

At the September 1, 2011, Utility Committee meeting, the following motion was passed:

That Administration work with EPCOR and return to City Council on a date to be determined by the City Manager, with:

- a more complete explanation of the allocation of corporate shared service costs, as referenced in the September 1, 2011, Financial Services report 2011CA1232

- a more detailed rationale for the proposed re-basing, the proposed return on equity and the inflation and efficiency factors
- option(s) for wastewater treatment performance measures on customer relations, to replace the meeting frequency performance measure

Report

- At the July 20, 2011, City Council meeting, Bylaw 15816 EPCOR Water Services and Wastewater Treatment Bylaw was given first reading.
- EPCOR's responses to the questions from the September 1, 2011, Utility Committee meeting with respect to the 2012 – 2017 water rates application have been included as Attachment 1 to this report.
- Administration has reviewed extensive information and provided feedback to EPCOR for their consideration in the development of the responses. Administration is satisfied that EPCOR has taken reasonable steps to provide further clarification with respect to corporate shared services costs, cost rebasing, return on equity, inflation and efficiency factors within the 2012 – 2017 performance based rates application.
- EPCOR has raised four options for wastewater treatment performance measures on customer relations that could replace the measure provided in the original performance measure materials. Of the options raised EPCOR would recommend the measure of the percentage of responses to area resident concerns acknowledged within 24 hours, with a benchmark of 90%.

Policy

The information in this report is compliant with the *Municipal Government Act* and *Bylaw 12294 – EPCOR Rates Procedures Bylaw*

Corporate Outcomes

The information in this report is consistent with Council's strategic vision in terms of its conditions of success particularly related to sound management practices and processes.

Public Consultation

A public hearing was held with respect to Bylaw 15816 at the September 1, 2011, Utility Committee meeting.

Attachments

1. EPCOR Water Services Inc.
Response to September 1, 2011
Utility Committee Motions – Bylaw
15816

Others Reviewing this Report

D. H. Edey, General Manager,
Corporate Services