

November 21, 2019

Councillor Ben Henderson
Chairman, Utility Committee
2nd Floor City Hall
1 Sir Winston Churchill Square
Edmonton, AB T5J 2R7

Dear Councillor Henderson

RE: Waste 2020 Rate Application

Please accept this letter as your Utility Advisor report on the Waste 2020 Rate Application.

In the past, I have submitted a somewhat lengthier report on such applications, but I am pleased to advise that the subject application is of very high quality. Any questions I might have had were anticipated and answered in the application.

One suggestion I would make is to initiate a review of the Waste Fiscal Policy, particularly as it relates to the debt to net assets ratio. On review of the last few Waste rate applications, it seems apparent that the target for debt to net assets ratio set in the fiscal policy is creating some unanticipated results. Customers may be providing more zero cost equity than is necessary or appropriate. Perhaps the management of the Waste Utility could be tasked with evaluating the appropriate target, as I recall that the current target was essentially “plucked out of thin air”.

Other than this one suggestion, I have no hesitation in commending this application to the Utility Committee for your consideration.



W. James Beckett P. Eng.
Utility Advisor