

# 90-Day Utility Bill Payment Deferral Option

## Water, Wastewater Treatment, Drainage, and Waste Services

### Recommendation

That the October 2, 2020, Financial and Corporate Services report CR\_8328, be received for information.

### Executive Summary

This report provides an update for information and feedback from the Utility Committee on the 90-Day Utility Bill Payment Deferral program for water, wastewater treatment, drainage and waste services. On March 20, 2020, City Council approved a 90-day utility payment deferral option ending on June 18, 2020 for utility customers of waste services provided by the City of Edmonton and requested that EPCOR similarly provide a 90-day deferral option for utility customers of water, wastewater treatment and drainage services.

EPCOR provides the billing and customer care functions on behalf of the City of Edmonton for waste services. EPCOR has aligned the 90-day utility payment deferral option for water, wastewater treatment, drainage and waste services customers with the Government of Alberta's electricity and gas utility bill payment deferral program.

Approximately 12 percent of customers billed by EPCOR enrolled in the utility payment program by the end of the 90 day period on June 18, 2020, and are required to repay the deferred amounts during the period June 19, 2020 to June 18, 2021. Deferral accounts have been established to track deferred amounts not recovered from these customers and other costs to administer the deferral program.

### Report

In response to the COVID-19 pandemic, the Government of Alberta announced on March 18, 2020, that Alberta utility consumers in need would be able to defer their electricity and natural gas utility payments for up to 90 days. The 90-Day Utility Bill Payment Deferral Program was effective from March 18 to June 18, 2020, and was available to residential, farm and small commercial electricity consumers who consume less than 250,000 kilowatt hours of electricity per year, as well as to natural gas consumers who consume less than 2,500 gigajoules per year.

On March 20, 2020, City Council also approved a 90-day utility payment deferral option for utility customers of waste services provided by the City of Edmonton, and requested that EPCOR similarly provide a 90-day deferral option for utility customers of water, wastewater treatment and drainage services. Specifically, City Council approved the following motions:

3. That the collection of municipal public utility fees for waste services from residential, farm, and small commercial customers in need who request a deferral of their utility bill payment be deferred, without interest or penalty, for 90 days, ending on June 18, 2020, or such other date as subsequently amended.
4. That the Mayor, on behalf of Council, write a letter to EPCOR Utilities Inc. requesting a deferral of collection of utility fees for water, wastewater treatment, and drainage services on the same terms as identified in Part 3.

Further to the announcement by the Government of Alberta on March 18, 2020, and a letter from the Mayor on behalf of City Council on March 24, 2020, EPCOR implemented the option for residential, small commercial and farm customers in need to defer paying their electricity bill (across Alberta) and their water bill (in Edmonton only) for up to 90 days ending on June 18, 2020. Since EPCOR provides the billing function for waste services on behalf of the City of Edmonton, with one consolidated bill being provided by EPCOR to customers for electricity, water and waste services, a coordinated approach was implemented and communicated by EPCOR and Administration for the 90-day deferral option.

The Province of Alberta enacted the Utility Payment Deferral Program Act on May 12, 2020, which established the following three time periods and set out the role of the Alberta Utilities Commission to oversee the program:

- The utility bill payment “deferral period” from March 18, 2020 to June 18, 2020;
- The utility bill “repayment period” from June 19, 2020 to June 18, 2021, where an enrolled customer that deferred making payments must repay the total amount; and
- The “rate rider period” from June 19, 2021 to June 18, 2022, where rate riders may be established by the Alberta Utilities Commission to recover deferred amounts that were not received from enrolled customers (incremental bad debts) and other costs to administer the deferral program.

EPCOR has provided an update of the 90-Day Utility Bill Payment Deferral Program for information and feedback from the Utility Committee in Attachment 1. EPCOR has aligned the 90-Day Utility Payment Deferral Program for water, wastewater treatment, drainage and waste services customers with the Province of Alberta’s program.

As summarized in Table 4.0-1 of Attachment 1, approximately 12 percent of EPCOR’s customers (including waste services) enrolled in the utility payment program by the end of the 90 day period on June 18, 2020 and are required to repay the deferred amounts during the period June 19, 2020 to June 18, 2021. This represents approximately \$40.69 million in total deferred payments across all of the utilities, of which \$3.24 million pertains to waste services customers. EPCOR is self-financing the deferred payments for all of its regulated utilities, with the City of Edmonton self-financing the deferred payments for the waste services customers.

Consistent with the Province of Alberta’s program, deferral accounts have been established to track and recover the costs for administering the deferral of these customer payments, interest expense and any incremental bad debts costs. A methodology to recover the deferral accounts for water, wastewater treatment and drainage services will be proposed as part of the upcoming Performance Based Regulation Applications to be submitted in February 2021, and for waste services as part of the upcoming 2021 Rate Filing to be submitted in December 2020.

**Corporate Outcomes and Performance Management**

<b>Corporate Outcome(s): The City of Edmonton has sustainable and accessible infrastructure</b>			
<b>Outcome(s)</b>	<b>Measure(s)</b>	<b>Result(s)</b>	<b>Target(s)</b>
Ongoing monitoring and reporting of EPCOR utility services regulated by City Council.	Annual and periodic reporting of utility operations.	Annual Progress Report - Water, Wastewater, Drainage (June 2019)  Annual Operational Plan (February 2019)	Annual Progress Report - Water, Wastewater, Drainage (June)  Annual Operational Plan (Q1)

**Attachments**

1. EPCOR - 90 Day Utility Bill Payment Deferral Program

**Others Reviewing this Report**

- C. Owen, Deputy City Manager, Communications and Engagement
- G. Cebryk, Deputy City Manager, City Operations
- B. Andriachuk, City Solicitor