
APPENDIX A – Part 1
SUMMARY OF THE EPCOR WATER SERVICES BYLAW AND KEY CHANGES

1.0 OVERVIEW OF PROPOSED WATER BYLAW

1.1. Overview

Through the Water Bylaw, EWSI seeks approval for the following:

- (a) Extension of the PBR from April 1, 2022 to March 31, 2027.
- (b) Adjustment of rates to reflect the accepted methodology for determining costs of service for each customer segment (In-City customers, City of Edmonton Fire Rescue Services and Regional Customers).
- (c) The addition of the public fire protection monthly charges for each customer class to Schedule 1 Part I Water Rates.
- (d) The addition of two new Service Charges (Schedule 1 Part III).
- (e) An annual adjustment of Service Charges (Schedule 1 Part III) for inflation.
- (f) Updated Terms and Conditions of Water Service that govern the relationship between EWSI and its water customers. The majority of the proposed changes add clarity, improve consistency and readability and eliminate duplication. Details of the proposed amendments (except changes of a more minor nature) are summarized in the table below. The remaining minor changes are set out in the blacklined version of the Bylaw, included in Part II of the Rates Report. These changes add clarity, improve consistency and readability, and eliminate duplication.
- (g) Special Rate Adjustments for Water Services to include special rate adjustments for: (i) rebasing of the revenue requirement based on forecast costs for the PBR term; (ii) to increase the monthly service connection fee; (iii) for the 90-day deferral program established for the deferral of water utility bill payments for customers in need; and (iv) for the collection of the public fire protection revenue requirement.
- (h) The Inflation factor applied each year to prior year's water rates to be calculated based on a weighting of 60% non-labour component and 40% labour component to represent Water Services' internal cost structure (Schedule 3).

- (i) Maintain the Efficiency factor from the previous PBR term at 0.25%.
- (j) Updated Water Services performance standards to ensure that the standards continue to be appropriate and achievable but also sufficiently rigorous to result in a high level of customer service. All changes to the Performance Measures are described in detail in the table below and are in Schedule 3 of the Bylaw.
- (k) Revisions to non-routine adjustment clauses to: (i) clarify that circumstances for the deterioration of the Waterworks Systems may include unanticipated asset failure or deterioration requiring immediate repair or remediation; and (ii) to allow for negative non-routine adjustments related to grants (Schedule 3).

2.0 CHANGES FROM CURRENT WATERWORKS BYLAW TO PROPOSED WATER BYLAW

2.1. Schedule 1 Price Schedule

2.1.1. Water Rates

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| Reference: | Schedule 1, Part I – Water Rates |
| Current: | N/A |
| Proposed: | For each of Residential Water Service, Multi-Residential Water Service and Commercial Water Service the Public Fire Protection Monthly Charges have been added to Schedule 1, Part I – Water Rates for each Customer class. |
| Rationale: | This proposed change is required to reflect the collection of the public fire protection revenue requirement through water rates, as directed by Edmonton City Council. |

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| Reference: | Schedule 1, Part I – Water Rates for each of Residential Water Service, Multi-Residential Water Service and Commercial Water Service |
| Current: | Effective Dates and Adjustments for Future Years Consumption Charges for the period April 1, 2017 to March 31, 2022 will be determined by applying the adjustment factors in Schedule 3 of this Bylaw to the rates set out below, with new rate approval and implementation occurring on an annual basis in accordance with the adjustment methodology prescribed in Section 6 of this Bylaw. |
| Proposed: | Effective Dates and Adjustments for Future Years Consumption Charges and Public Fire Protection Monthly Charges for the period April 1, 2022 to March 31, 2023 are set out below. Consumption |

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| | Charges and Public Fire Protection Monthly Charges for the period April 1, 20 17 23 to March 31, 20 22 27 will be determined by applying the adjustment factors in Schedule 3 of this Bylaw to the rates set out below, with new rate approval and implementation occurring on an annual basis in accordance with the adjustment methodology prescribed in Section 76 of this Bylaw. |
| Rationale: | This proposed change is required to reflect that the rates for April 1, 2022 to March 31, 2023 will be the rates set out in Schedule 1, Part I – Water Rates. Previously, the rates for the first year of the new PBR term were determined by a formulaic extension of the rates of the last year of the prior PBR term. If this proposed change is approved, the rates will only be set for the first year of the PBR term and all other years of the PBR term will follow the formulaic approach. |

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| Reference: | Schedule 1, Part I – Water Rates for Fixed Monthly Service Charges |
| Current: | Effective Dates and Adjustments for Future Years Fixed Monthly Water Service Charges for the period April 1, 2017 to March 31, 2022 will be determined by applying the adjustment factors in Schedule 3 of this Bylaw to the rates set out below, with new rate approval and implementation occurring on an annual basis in accordance with the adjustment methodology prescribed in Section 6 of this Bylaw. |
| Proposed: | Effective Dates and Adjustments for Future Years Fixed Monthly Water Service Charges for the period April 1, 2022 to March 31, 2023 are set out below. Fixed Monthly Water Services Charges for the period April 1, 20 17 23 to March 31, 20 22 27 will be determined by applying the adjustment factors in Schedule 3 of this Bylaw to the rates set out below, with new rate approval and implementation occurring on an annual basis in accordance with the adjustment methodology prescribed in Section 67 of this Bylaw. |
| Rationale: | This proposed change is required to reflect that the rates for April 1, 2022 to March 31, 2023 will be the rates set out in Schedule 1, Part I – Water Rates. Previously, the rates for the first year of the new PBR term were determined by a formulaic extension of the rates of the last year of the prior PBR term. If this proposed change is approved, the rates will only be set for the first year of the PBR term and all other years of the PBR term will follow the formulaic approach. |

2.1.2. Service Charges

The following contains explanations for the changes to Schedule 1 – Part III Service Charges.

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| Reference: | Schedule I, Part III – Service Charges |
| Current: | <p>Non-Standard Meter Read Charge To all customers who decline the installation of a Radio Frequency Meter.</p> <p>Rate: \$15.20 per month</p> |
| Proposed: | <p>Non-Standard Meter Read Charge To all customers who decline the installation of a Non-Standard Meter Radio Frequency Meter.</p> <p>Rate: \$15.20-\$49.03 per month</p> |
| Rationale: | <p>This proposed change is required to reflect the implementation of the advanced metering infrastructure (“AMI”) deployment project, if approved. Currently, a customer is charged this fee when they decline a radio frequency capable water meter. As EWSI currently has a team of Meter readers who read all Meters each month, there is an economy of scale built into the current fee.</p> <p>Following the implementation of the AMI project, EWSI will no longer require a Meter reading workforce. As such, any Customers who opt out of the AMI meter will require an individual truck roll once a month to have their Non-Standard Meter read. Accordingly, the actual cost of the service to read a Non-Standard Meter has substantially increased as there is no longer an economy of scale.</p> |

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| Reference: | Schedule I, Part III – Service Charges |
| Current: | <p>No Access Charge To all customers who do not allow access by EWSI for the purpose of water meter reading for a period of 6 consecutive months.</p> |
| Proposed: | <p>No Access Charge To all customers who do not allow access by EWSI for the purpose of water meter reading <u>to install, inspect, test, maintain, repair, investigate, replace or remove Facilities, including reading a Meter,</u> for a period of 6 consecutive months.</p> |
| Rationale: | <p>This change is requested to align with EWSI’s right of entry in Section 5.2(a) of Schedule 2 Terms and Conditions of Water Services and the circumstances under which EWSI may charge a “no access fee” in Section 5.2(c) of Schedule 2 Terms and Conditions of Water Services. Section 5.2(c) provides that EWSI</p> |

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| | may charge a “no access fee” if EWSI’s lawful entry to a Customer’s premises is prevented or hindered. |
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| Reference: | Schedule I, Part III – Service Charges |
| Current: | Not applicable |
| Proposed: | Customer Locate Fee To all customers who fail to notify EWSI that they have taken possession of a site and EWSI is required to conduct searches to identify the customer. Rate \$20.00 |
| Rationale: | This change is requested to cover the costs associated with locating customers who have taken possession of a site but have not informed EWSI. The \$20.00 fee will cover the cost of obtaining the land title (approximately \$10.00) and the remaining \$10.00 will cover the administration costs that are involved in conducting the searches. |

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| Reference: | Schedule I, Part III – Service Charges |
| Current: | Not applicable |
| Proposed: | Service Connection Fees The fee for a new water service installation is calculated on a cost of service basis in accordance with the Water Services Guidelines. Rate Cost of service |
| Rationale: | This addition is to incorporate fees paid for by the customer on a cost-of-service basis for new water service installations. Previously, this fee was charged but was not set out in the Service Charges. |

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| Reference: | Schedule I, Part III – Service Charges |
| Current: | Part III Service Charges are effective April 1, 2017. |
| Proposed: | Part III Service Charges are effective April 1, 2017 22 . Service Charges for the period April 1, 2023 to March 31, 2027 will be determined by applying the adjustment factors for Service Charges set out in Schedule 3 of this Bylaw to the rates set out in this Part III – Service Charges, with new rate approval and implementation occurring on an annual basis in accordance with the adjustment methodology prescribed in Section 7 of this Bylaw. |
| Rationale: | EWSI has proposed to introduce an annual update of Service Charges for inflation for the 2022-2026 PBR term in order to ensure the cost of EWSI providing the service remains appropriately allocated. This change is requested to reflect the annual update for inflation. |

2.1.3. Late Payment Charges

The following contains explanations for the changes to Schedule 1 – Part V Late Payment Charges.

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| Reference: | Schedule 1, Part V – Late Payment Charges |
| Current: | <p>Late Payment Charges</p> <p>A late payment charge of 2.5% per month, not compounded, is applied to all charges on a Customer’s Account, if the Customer’s payment has not been received by EWSI before one month from the date of issuance of the bill in respect of the charges. If considered to be interest payable for credit advanced, then the late payment charge is equivalent to a maximum yearly rate of 45.6%. A dishonoured cheque charge is applied for each cheque returned for insufficient funds.</p> |
| Proposed: | <p>A late payment charge of 2.5% per month, not compounded, is applied to all charges on a Customer’s Account, if the Customer’s payment has not been received by EWSI before one month from the date of issuance of the bill in respect of the charges <u>in full by the payment due date specified on the bill</u>. If considered to be interest payable for credit advanced, then the late payment charge is equivalent to a maximum yearly rate of 45.6%. A dishonoured cheque charge of \$25.00 is applied for each cheque returned for insufficient funds.</p> |
| Rationale: | <p>This proposed change will align with the wording in Section 3.1(a) ‘Requirement for Account and Obligation to Pay’ of Schedule 2 Terms and Conditions of Water Services which provides that: “A late payment charge of 2.5% per month, not compounded, is applied to all charges on a Customer’s Account, if a Customer does not pay a bill in full by the payment due date specified on the bill.”</p> <p>Please note that with removal of wastewater from the Waterworks Bylaw, this reference is now ‘Schedule 1, Part IV’.</p> |

2.2. Schedule 2 Terms and Conditions of Water Services

The following contains explanations for the more substantive changes to Schedule 2 – Terms and Conditions of Water Services.

Article 1 – Definitions and Interpretation

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| Reference: | 1.1 Definitions |
| Current: | “ Non-Standard Meter ” means a water meter that is not equipped with a radio frequency module. |
| Proposed: | “ Non-Standard Meter ” means a water meter that is not equipped with a radio frequency module <u>does not have the capability of remotely</u> |

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| | communicating via radio frequency signals with EWSI’s advanced metering network;- |
| Rationale: | This proposed change is required to reflect the implementation of the AMI deployment project, if approved. Following the implementation of AMI meters, under this proposed change any meter that does not fall under the proposed definition of Standard Meter (see below) will be a Non-Standard Meter. This change is requested in order to allow EWSI to recover the additional costs associated with providing an on-site meter read to Customers with non-AMI meters. |
| Reference: | 1.1 Definitions |
| Current: | “ Standard Meter ” means a water meter that is equipped with a radio frequency (RF) module. A RF module is a device that is used to transmit and/or receive radio signals between two devices. |
| Proposed: | “ Standard Meter ” means an advanced water meter that is equipped with a radio frequency (RF) module. A RF module is a device that is used to transmit and/or receive radio signals between two devices has the capability of remotely communicating via radio frequency signals with EWSI’s advanced metering network;- |
| Rationale: | This proposed change is required to reflect the implementation of the AMI deployment project, if approved. |

Article 2 – General Provisions

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| Reference: | 2.2 Water Services Guidelines |
| Current: | <p>(c) The following are deemed to be Water Services Guidelines and are effective and binding upon every Customer, and may be amended or rescinded from time to time by EWSI:</p> <ul style="list-style-type: none"> (i) the EWSI document entitled “EWSI Service Standards”; (ii) the document entitled “Design and Construction Standards for the City of Edmonton; Volume 4 – Water” (“Design and Construction Standards”); (iii) the EWSI document entitled “Cross Connection Control Policy”; and (iv) the EWSI document entitled “Guidelines for Working Around Water Infrastructure”. |

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| <p>Proposed:</p> | <p>(c) The following are deemed to be Water Services Guidelines and are effective and binding upon every Customer, and may be amended or rescinded from time to time by EWSI:</p> <ul style="list-style-type: none"> (i) the EWSI document entitled “EWSI Service Standards”; (ii) the document entitled “Design and Construction Standards for the City of Edmonton; Volume 4 – Water” (“Design and Construction Standards”); (iii) the EWSI document entitled “Cross Connection Control Policy”; and (iv) the EWSI document entitled “Guidelines for Working Around Water Infrastructure”; (v) the EWSI document entitled “Hydrant Servicing Guidelines”; (vi) the EWSI document entitled “Water and Sewer Connections Guidelines”; and (vii) the EWSI document entitled “Water Utility Handbook”. |
| <p>Rationale:</p> | <p>This proposed change is required to reflect additional guidelines developed by EWSI which form part of the Water Services Guidelines under the Terms and Conditions. The Hydrant Servicing Guidelines are required in order to set out the servicing standards for fire hydrant services provided by EWSI for public fire protection. The Water and Sewer Connections Guidelines set out the standards and requirements related to new sewer service connections and have been developed to provide assistance to building owners, developers, engineering consultants, architects and other contractors. The Water Utility Handbook sets out the requirements for notifying, locating and working in close proximity to the existing Waterworks System in order to protect EWSI’s Facilities.</p> |

Article 3 – Methods and Procedures for Obtaining Water Services

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| <p>Reference:</p> | <p>3.1 Requirement for Account and Obligation to Pay</p> |
| <p>Current:</p> | <p>(a) Prior to receiving any Water Services from EWSI, a Customer is obligated to open an Account. Customers shall pay in full for all Water Services provided by EWSI. EWSI will send a Customer a bill for Water Services provided to the Customer during the previous month, or an</p> |

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| | <p>amount of time reasonably close to a month, calculated in accordance with Schedule 1. A Customer's obligation to pay the amount set out in the bill shall continue regardless of whether the Customer receives the bill. A late payment charge of 2.5% per month, not compounded, is applied to all charges on a Customer's Account, if a Customer does not pay a bill in full by the payment due date specified on the bill. If considered to be interest payable for credit advanced, then the late payment charge is equivalent to a maximum yearly rate of 45.6%. A dishonoured cheque charge is applied for each cheque returned for insufficient funds.</p> |
| Proposed: | <p>(a) Prior to receiving any Water Services from EWSI, a Customer is obligated to open an Account. Customers shall pay in full for all Water Services provided by EWSI. <u>If a Customer fails to open an Account when they have possession of the premises to which Water Services are being supplied, EWSI may bill the Customer for the Water Services received, from their legal possession or occupancy date, whichever occurs first, and EWSI shall determine the retroactive billing by reasonably estimating the Customer's consumption.</u></p> <p>EWSI will send a Customer a bill for Water Services provided to the Customer during the previous month, or an amount of time reasonably close to a month, calculated in accordance with Schedule 1. A Customer's obligation to pay the amount set out in the bill shall continue regardless of whether the Customer receives the bill. A late payment charge of 2.5% per month, not compounded, is applied to all charges on a Customer's Account, if a Customer does not pay a bill in full by the payment due date specified on the bill. If considered to be interest payable for credit advanced, then the late payment charge is equivalent to a maximum yearly rate of 45.6%. A dishonoured cheque charge is applied for each cheque returned for insufficient funds.</p> |
| Rationale: | <p>The proposed change allows EWSI to retroactively bill Customers for metered Water Services where they fail to open an Account in accordance with this section and will align with EWSI's current retroactive billing practices. As historical data for these Customers' usage will not be available, EWSI's current practice is to calculate retroactive billing for Customers: (i) billed the Residential Water Service rate under Schedule 1 by using the estimated average daily usage of City of Edmonton Residential Water Service Customers; and (ii) billed the Commercial Water Service or Multi-Residential Water Service rates under Schedule 1 by using the Customer's average usage within a three-month time period as the average Residential Water Service</p> |

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| | usage does not accurately capture the usage by these other classes of Customers. |
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| Reference: | 3.1 Requirement for Account and Obligation to Pay |
| Current: | <p>(d) EWSI may, without approval or consent of an Owner, upon not less than 90 days written notice to the Owner, open a new Account in the name of the Owner in respect of leased premises if:</p> <ul style="list-style-type: none"> (i) the tenant or lessee is more than 60 days in arrears of payment for Water Services; and (ii) it is physically impossible or impracticable to Turn Off Water Services to the tenant or lessee without adversely affecting Water Services to one or more other Customers that occupy the same premises and/or that receive Water Services through a common Service Connection. <p>In such a case, the Owner shall be required to pay for Water Services from the date on which the new account is opened by EWSI in the Owner's name. The Owner shall not be required to pay EWSI for the tenant or lessee's arrears for Water Services at that location, unless a provision in an agreement otherwise specifies.</p> |
| Proposed: | <p>(d) EWSI may, without approval or consent of an Owner, upon not less than 90 <u>30</u> days written notice to the Owner, open a new Account in the name of the Owner in respect of leased premises if:</p> <ul style="list-style-type: none"> (i) the tenant or lessee is more than 60 days in arrears of payment for Water Services; and (ii) it is physically impossible or impracticable to Turn Off Water Services to the tenant or lessee without adversely affecting Water Services to one or more other Customers that occupy the same premises and/or that receive Water Services through a common Service Connection. <p>In such a case, the Owner shall be required to pay for Water Services from the date on which the new account is opened by EWSI in the Owner's name. The Owner shall not be required to pay EWSI for the tenant or lessee's arrears for Water Services at that location, unless a provision in an agreement otherwise specifies.</p> |
| Rationale: | The proposed change is to minimize the loss of revenue in situations where a tenant or lessee has not paid their Account. The current wording does not |

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| | allow EWSI to commence collection until the site has been in arrears for 150 days. This change would allow EWSI to commence collection from the Owner at 90 days. |
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| Reference: | 3.5 Security Deposits |
| Current: | <p>(b) EWSI, in its sole discretion, may at the time of a Customer's application for Water Services or at any time thereafter require the Customer to post a security deposit or an increase to an existing security deposit in circumstances that may include, without limitation, the following:</p> <ul style="list-style-type: none"> (i) late payment by the Customer for Water Services or other services provided by EWSI; (ii) the Customer has issued more than one cheque or pre-authorized debit that has been returned for non-sufficient funds in any six month period; (iii) there has been a significant increase in the Customer's rate of consumption of water; (iv) the Customer is applying for Turn On or for a new Water Services after having previously been Turned Off from Water Services for non-payment; (v) the Customer making the application for Water Service has a credit rating that is not satisfactory to EWSI; or (vi) the Customer is applying for a permit to use water from a fire hydrant. <p>(c) EWSI, in its sole discretion, may determine that a Customer is not required to post a security deposit or is no longer required to maintain an existing security deposit, in circumstances that may include, without limitation, the following:</p> <ul style="list-style-type: none"> (viii) the Customer has a good payment history with EWSI; (ix) where a result satisfactory to EWSI is obtained from an external credit check; or (iii) where the Customer provides to EWSI an indemnity bond or irrevocable letter of credit from a financial institution satisfactory to EWSI. <p>(d) Unless extraordinary circumstances apply, the maximum security deposit EWSI will require from a Customer for Water Services not</p> |

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| | <p>involving a new Service Connection is an amount equal to three times the amount EWSI estimates will be the average monthly billing to the Customer for Water Services.</p> |
| Proposed: | <p>(b) EWSI, in its sole discretion, may at the time of a Customer's application for Water Services or at any time thereafter require the Customer to post a security deposit or an increase to an existing security deposit in circumstances that may include, without limitation, the following:</p> <ul style="list-style-type: none"> (i) late payment by the Customer for Water Services or other services provided by EWSI; (ii) the Customer has issued more than one cheque or pre-authorized debit that has been returned for non-sufficient funds in any six month period; (iii) there has been a significant increase in the Customer's rate of consumption of water; (iv) the Customer is applying for Turn On or for a new Water Services after having previously been Turned Off from Water Services for non-payment; (v) the Customer making the application for Water Service has a credit rating that is not satisfactory to EWSI; or (vi) the Customer is applying for a permit to use water from a fire hydrant; or (vii) <u>the Customer has a permit to use water from a fire hydrant and is issued EWSI-owned equipment for use in connection with the hydrants.</u> <p>(c) EWSI, in its sole discretion, may determine that a Customer is not required to post a security deposit or is no longer required to maintain an existing security deposit, in circumstances that may include, without limitation, the following:</p> <ul style="list-style-type: none"> (i) the Customer has a good payment history with EWSI; (ii) where a result satisfactory to EWSI is obtained from an external credit check; or |

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| | <p>(iii) where the Customer provides to EWSI an indemnity bond or irrevocable letter of credit from a financial institution satisfactory to EWSI.</p> <p>(d) Unless extraordinary circumstances apply, the maximum security deposit EWSI will require from a Customer for Water Services not involving a new Service Connection is an amount equal to three times the amount EWSI estimates will be the average monthly billing to the Customer for Water Services. <u>Notwithstanding this Section 3.5(d), if a Customer is required to post a security deposit pursuant to Section 3.5(b) (vii) above, then such amount shall be in addition to any other security deposit required under Section 3.5.</u></p> |
| Rationale: | EWSI currently provides EWSI-owned equipment on request to Customers with a permit to use water from a fire hydrant. The Customer is expected to return the equipment to EWSI. EWSI has requested the proposed change in order to ensure this equipment is returned to EWSI, and in the instance the equipment is not returned, to offset the costs incurred by EWSI related to the equipment loss. |

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| Reference: | 3.8 Temporary Water Service and Construction Water Service |
| Current: | (c) Where a Customer fails to apply for metered Water Services as required by this section, EWSI may bill the Customer retroactively for the unmetered water as if it were metered Water Services from the date a City occupancy permit was issued or the date upon which the development began to be used for its intended purpose, whichever is earlier. The retroactive billing shall be based on a three-month average. |
| Proposed: | (c) Where a Customer fails to apply for metered Water Services as required by this section, EWSI may bill the Customer retroactively for the unmetered water as if it were metered Water Services from the date a City occupancy permit was issued or the date upon which the development began to be used for its intended purpose, whichever is earlier. <u>EWSI shall determine the the retroactive billing based on a three-month average by reasonably estimating the Customer's consumption.</u> |
| Rationale: | Similar to the proposed change in Section 3.1(a), this proposed change is to align with EWSI's current retroactive billing practices. As historical data for these Customers' usage will not be available, EWSI's current practice is to calculate retroactive billing for Customers: (i) billed the Residential Water Service rate under Schedule 1 by using the estimated average daily usage of City of Edmonton Residential Water Service Customers; and (ii) billed the |

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| | Commercial Water Service or Multi-Residential Water Service rates under Schedule 1 by using the Customer's average usage within a three-month time period. |
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Article 4 – Water Service Requirements and Facilities

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| Reference: | 4.1 Protection of EWSI's Facilities and Property of Other Customers |
| Current: | <p>(b) Deep Ground Disturbance in Proximity to Water Facilities</p> <p>Any party that proposes any construction involving ground disturbance to a depth exceeding two (2) metres within five (5) metres of the boundary of lands containing EWSI Facilities is required to enter into a Facility Proximity Agreement with EWSI, prior to performing the ground disturbance. The conditions of the agreement may at EPCOR's sole discretion include, but not be limited to, the following:</p> <ul style="list-style-type: none"> (i) The EWSI Facility must be isolated and drained. Active customers on the isolated main, must be provided with temporary water service. Temporary servicing, and construction activity may be limited to the months of May to October. The constructor will be responsible for all costs associated with de-commissioning, temporary servicing and re-commissioning of the EWSI Facility. (ii) The water main is to be exposed by hydrovac at a minimum of two locations to confirm the existing location and the proposed clearances prior to any ground disturbance. (iii) A requirement to contact the Inspections Coordinator a minimum of 72 hours in advance of the hydrovac exposure to arrange for an EPCOR Inspector to be on-site. (iv) All Service Connections not required for the future building(s) must be formally abandoned at the main prior to excavation. (v) All appropriate measures must be taken to ensure the existing support around the water main is not disturbed by any of the construction activities. Any sloughing, settlement or undermining of the ground within five (5) metres of a EWSI Facility must be reported to EWSI. Any damage to the existing EWSI Facility resulting from the construction, how so ever caused, will be repaired at the sole cost of the constructor. |

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| | <p>(vi) The constructor must notify EWSI when the ground disturbance in proximity to the EWSI Facility is completed so that the Facility can be re-commissioned.</p> <p>(vii) An indemnification in favour of EPCOR for any and all costs or liabilities arising from the construction, including costs or liabilities arising in respect of any (A) water service interruption, defect or failure, (B) damage to any existing EWSI Facility, (C) damage to the property of third parties, (D) damage to a construction site, (E) delay of construction, other than as caused by any deliberate or negligent action of EPCOR</p> |
| Proposed: | Deletion of all of section 4.1(b) from the Terms and Conditions and insertion into the Water Service Guidelines. |
| Rationale: | This proposed change is to streamline the Terms and Conditions by removing a highly technical provision that is best suited for the Water Service Guidelines. Accordingly, if this proposed change is accepted, the language from section 4.1(b) will be inserted in the Water Service Guidelines. |

Article 5 – Easements, Rights-of-Way, and Use of and Access to Facilities

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| Reference: | 5.2 Right of Entry |
| Current: | <p>(a) EWSI's employees, agents and other representatives shall have the right to enter a Customer's premises at all reasonable times, or at any time during an event of Force Majeure, for the purpose of installing, maintaining, replacing, testing, monitoring, reading or removing EWSI's Facilities and for any other purpose incidental to the provision of Water Services. A Customer shall not prevent or hinder EWSI's entry to the Customer's premises for any such purpose. Without limiting the generality of the foregoing,</p> <p>EWSI has the right to enter a Customer's premises at any reasonable hour in order to:</p> <ul style="list-style-type: none"> (i) install, inspect, test, repair, replace or remove Facilities; (ii) perform necessary maintenance to Facilities; (iii) investigate or respond to a Customer complaint or inquiry; (iv) conduct an unannounced inspection where EWSI has reasonable grounds to believe that theft of Water Services or interference |

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| | <p>with Facilities (including but not limited to a water Meter) has occurred or is occurring' and</p> <p>(v) take necessary corrective action to safeguard and maintain the Waterworks System.</p> |
| Proposed: | <p>(a) EWSI's employees, agents and other representatives shall have the right to enter a Customer's premises at all reasonable times, or at any time during an event of Force Majeure, for the purpose of installing, maintaining, replacing, testing, monitoring, reading or removing EWSI's Facilities and for any other purpose incidental to the provision of Water Services. A Customer shall not prevent or hinder EWSI's entry to the Customer's premises for any such purpose. Without limiting the generality of the foregoing,</p> <p>EWSI has the right to enter a Customer's premises at any reasonable hour in order to:</p> <p>(i) install, inspect, test, <u>read</u>, repair, replace or remove Facilities;</p> <p>(ii) perform necessary maintenance to Facilities;</p> <p>(iii) investigate or respond to a Customer complaint or inquiry;</p> <p>(iv) conduct an unannounced inspection where EWSI has reasonable grounds to believe that theft of Water Services or interference with Facilities (including but not limited to a water Meter) has occurred or is occurring'; and</p> <p>(v) take necessary corrective action to safeguard and maintain the Waterworks System.</p> |
| Rationale: | <p>This proposed change is to clarify that EWSI may enter a Customer's premises to read a Meter.</p> |

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| Reference: | 5.2 Right of Entry |
| Current: | (c) EWSI may charge a "no access fee" sufficient to cover EWSI's reasonable costs, if EWSI's lawful entry to a Customer's premises is prevented or hindered, whether by a Customer not keeping a scheduled appointment or for any other cause. |
| Proposed: | (c) EWSI may charge a "no access fee" sufficient to cover EWSI's reasonable costs, if EWSI's lawful entry to a Customer's premises is |

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| | prevented or hindered, including without limitation where EWSI determines, in its sole discretion, the access to be unsafe , whether by a Customer not keeping a scheduled appointment or for any other cause. |
| Rationale: | This proposed change is to clarify that EWSI will charge a “no access fee” in situations where EWSI has determined that the access is unsafe. |

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| Reference: | 5.3 Access to Waterworks System |
| Current: | (c) EWSI, in its sole discretion, may consider the presence of a dog to be an obstruction or a hindrance to access to any Facilities and may notify the Customer of any conditions or actions required to enable access to the Facility by appointment with the Customer. |
| Proposed: | (c) EWSI, in its sole discretion, may consider a safety issue as the presence of a dog to be an obstruction or a hindrance to access to any Facilities and may notify the Customer of any conditions or actions required to enable access to the Facility by appointment with the Customer . |
| Rationale: | This proposed change is to clarify that EWSI may consider a safety issue as an obstruction or hindrance to access. The second change is to align the Terms and Conditions with EWSI’s processes as EWSI does not make appointments for Meter reading. |

Article 8.0 – Meters

| | |
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| Reference: | 8.1 Installation of Meters |
| Current: | <p>(a) Provision and Ownership</p> <p>EWSI shall supply, install, and seal one or more Standard Meters for the purpose of measuring the volume of water delivered to a Customer by way of a Service Connection subject to the following exceptions:</p> <ul style="list-style-type: none"> (i) a Customer may decline the installation of a Standard Meter on request to EWSI provided that: <ul style="list-style-type: none"> (a) the Customer receives Water Services at a site that is a dwelling or Multiple Dwelling without a multiple-meter installation; and (b) EWSI has regular, ongoing and safe access to the Non-Standard Meter. (ii) a Customer may request that a Standard Meter be replaced with a Non-Standard Meter on written request to EWSI provided that: |

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| | <ul style="list-style-type: none"> (a) the Customer receives Water Services at a site that is a dwelling or Multiple Dwelling without a multiple-meter installation; and (b) EWSI has regular, ongoing and safe access to the Non-Standard Meter. <p>The Standard Meter, Non-Standard Meter and related metering equipment shall remain the sole property of EWSI, regardless of whether the Customer has paid or reimbursed all or any part of EWSI’s costs of supply and installation.</p> <p>Any Customer that is subject to the exceptions listed in (i) and (ii) above shall be required to pay the Non-Standard Meter Reading Fee as set out in Schedule 1.</p> <p>Any Customer that is subject to the exception listed in (ii) above shall be required to pay the Non-Standard Meter Installation Fee as set out in Schedule 1.</p> <p>A Customer at a site that is metered by a Non-Standard Meter that has declined the installation of a Standard Meter may at any time request that EWSI install a Standard Meter at that site.</p> |
| <p>Proposed:</p> | <ul style="list-style-type: none"> (a) Provision and Ownership <p>EWSI shall supply, install, and seal one or more Standard Meters for the purpose of measuring the volume of water delivered to a Customer by way of a Service Connection subject to the following exceptions:</p> <ul style="list-style-type: none"> (i) a Customer may decline the installation of a Standard Meter on request to EWSI provided that: <ul style="list-style-type: none"> (a) the Customer receives Water Services at a site that is a eDwelling or Multiple Dwelling without a multiple-meter installation; and (b) EWSI has regular, ongoing and safe access to the Non-Standard Meter. |

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| | <p>(ii) a Customer may request that a Standard Meter be replaced with a Non-Standard Meter on written request to EWSI provided that:</p> <ul style="list-style-type: none"> (a) the Customer receives Water Services at a site that is a dDwelling or Multiple Dwelling without a multiple-meter installation; and (b) EWSI has regular, ongoing and safe access to the Non-Standard Meter. <p>The Standard Meter, Non-Standard Meter and related metering equipment shall remain the sole property of EWSI, regardless of whether the Customer has paid or reimbursed all or any part of EWSI’s costs of supply and installation.</p> <p>Any Customer that is subject to the exceptions listed in (i) and (ii) above shall be required to pay the Non-Standard Meter Reading Fee as set out in Schedule 1. <u>In addition, a Customer shall be required to pay the Non-Standard Meter Reading Fee as set out in Schedule 1 upon a Customer’s deemed refusal of the installation of a Standard Meter. A Customer is deemed to have refused the installation of a Standard Meter if the Customer does not respond to EWSI’s reasonable communication efforts, as determined by EWSI, for the installation of the Standard Meter.</u></p> <p>Any Customer that is subject to the exception listed in (ii) above shall be required to pay the Non-Standard Meter Installation Fee as set out in Schedule 1.</p> <p>A Customer at a site that is metered by a Non-Standard Meter that has declined the installation of a Standard Meter may at any time request that EWSI install a Standard Meter at that site.</p> |
| <p>Rationale:</p> | <p>This proposed change is required to reflect the implementation of the AMI deployment project, if approved, and the Non-Standard Metering Reading Fee that a Customer will be required to pay if the Customer declines the installation of the Standard Meter, which shall be the Meter with AMI capabilities. Pursuant to the proposed change, EWSI will make reasonable efforts to contact the Customer prior to the Customer being charged the Non-Standard Meter Reading Fee.</p> |
| <p>Reference:</p> | <p>8.1 Installation of Meters</p> |
| <p>Current:</p> | <p>(b) Responsibility of Customer</p> |

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| | <p>Each Customer shall ensure that a location on or in the Customer’s premises for Meter installation is provided, complete with an EWSI approved meter setting, as prescribed by Design and Construction Standards, and that safe and easy access to the Meter is provided for the purpose of reading or servicing the Meter, in accordance with all applicable requirements of the Water Services Guidelines as amended from time to time. The Meter location shall provide protection from freezing and physical damage.</p> <p>All Meter installations, including placement, shall comply with EWSI’s approved meter settings as prescribed by the Design and Construction Standards. Where the Customer fails to comply with the Design and Construction Standards, the Customer shall be subject to Turn Off in accordance with Article 10.2.</p> |
| <p>Proposed:</p> | <p>(b) Responsibility of Customer</p> <p>Each Customer shall ensure that a location on or in the Customer’s premises for Meter installation is provided, complete with an EWSI approved meter setting, as prescribed by Design and Construction Standards, and that safe and easy access to the Meter is provided for the purpose of reading or servicing the Meter, in accordance with all applicable requirements of the Water Services Guidelines as amended from time to time. The Meter location shall provide protection from freezing and physical damage. <u>The Customer shall be liable for all Water Services received in connection with a burst Customer Meter resulting from inadequate protection.</u></p> <p>All Meter installations, including placement, shall comply with EWSI’s approved meter settings as prescribed by the Design and Construction Standards. Where the Customer fails to comply with the Design and Construction Standards, the Customer shall be subject to Turn Off in accordance with Article 10.2.</p> |
| <p>Rationale:</p> | <p>The proposed change clarifies the responsibility of a Customer for water that passes through a burst Meter, which results from a failure by the Customer to provide the adequate protection for the Meter required by Section 8.1(b).</p> |

Article 11 – Closing an Account

| | |
|------------|---|
| Reference: | 11 – Closing an Account |
| Current: | Upon receipt of a valid notice to close an Account, EWSI shall make reasonable efforts to read the Customer's Meter at a time requested by the Customer. EWSI shall conduct a final reading of the Customer's Meter within a reasonable time. The Customer shall pay all fees and charges remaining on the account including all Water Services provided up to the time of the final reading and any further fees and charges that accrue prior to the point at which the site is enrolled with a subsequent Customer. |
| Proposed: | Upon receipt of a valid notice to close an Account, EWSI shall make reasonable efforts to read the Customer's Meter at a time requested by the Customer. EWSI shall conduct a final reading of the Customer's Meter within a reasonable time. The Customer shall pay all fees and charges remaining on the account including all Water Services provided up to the time of the final reading Customer's requested end-of-service date and any further fees and charges that accrue prior to the point at which the site is enrolled with a subsequent Customer. |
| Rationale: | This proposed change is to align the process in the Terms and Conditions with EWSI's practice. The current practice is for the Customer's charges to stop on the Customer's requested end-of-service date and generally, EWSI does not do a final reading of the Meter. |

2.3 Schedule 3 Performance Based Water Rates

2.3.1 Overview

The following table provides a summary of proposed revisions to the Water System Service Quality performance indices in Section 3.0 of Schedule 3, including updates and the rationale for changes, as appropriate. Generally, the performances indices and the underlying metrics have been updated based on historical trending. Minimal changes are proposed in order to maintain a relatively consistent metrics program from the current term. EWSI is committed to maintaining high service quality during the investment rebalancing proposed for the 2022-2026 PBR term. The detailed background and rationale for all metrics is detailed in the Water Application.

2.3.2 Inflation Factor

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| Reference: | Schedule 3 Section 2.1 Inflation Factor |
| Current: | For the purposes of this adjustment calculation, inflation will be determined on the basis of two components: |

| | |
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| | <p>a) a Consumer Price Index (“CPI”) component, weighted at 65%, based on the annual Conference Board of Canada’s forecast for Statistics Canada CANSIM Services V41694625 – CPI, 2005 Basket, 2002 = 100, Alberta, All Items and</p> <p>b) a Labour Cost component, based on the annual Conference Board of Canada’s forecast for Statistics Canada CANSIM Series V1603533, weighted at 35%.</p> |
| Proposed: | <p>For the purposes of this adjustment calculation, inflation will be determined on the basis of two components:</p> <p>a) a Consumer Price Index (“CPI”) component, weighted at 60%, based on the annual Conference Board of Canada’s forecast for Statistics Canada CANSIM Services V41694625 – CPI, 2005 Basket, 2002 = 100, Alberta, All Items and</p> <p>b) a Labour Cost component, based on the annual Conference Board of Canada’s forecast for Statistics Canada CANSIM Series V1603533, weighted at 40%.</p> |
| Rationale: | <p>This proposed amendment adjusts the weighting of labour versus non-labour costs. The previous weighting was based on the combination of Water and Wastewater Treatment Services costs. The revised weighting is based on Water Services costs.</p> |

2.3.3 Special Rate Adjustments for Water Services

| | |
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| Reference: | 2.3.1 Special Rate Adjustments for Re-Basing |
| Current: | In the 2017-2021 PBR term a Special Rate Adjustment for Re-Basing was added to the Consumption Charge and Fixed Monthly Service Charge as an annual adjustment over the PBR term. |
| Proposed: | In the 2022-2026 PBR term a Special Rate Adjustment for Re-Basing will be added to the Consumption Charge and Fixed Monthly Service Charge as an annual adjustment over the PBR term. |
| Rationale: | <p>In the 2017-2021 PBR application EWSI proposed a one year rebasing adjustment in 2017. At the request of the City EWSI smoothed the re-basing adjustment as an annual adjustment over the PBR term.</p> <p>EWSI has proposed to continue the Special Rate Adjustment for Re-Basing as an annual adjustment over the 2022-2026 PBR term.</p> |

| | |
|------------|---|
| Reference: | 2.3.2 Special Rate Adjustments to Increase the Monthly Service Connection Fee |
| Current: | Not Applicable |

| | |
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| Proposed: | A Special Rate Adjustment to increase the fixed portion and decrease the variable portion of the rate for the year 2022. |
| Rationale: | A Special Rate Adjustment to Increase the Monthly Service Connection Fee is required to bring the fixed versus variable ratio of Water Rates more closely in line with comparable communities and to help decrease the long term consumption impacts related to the decline in consumption for future PBR applications. This proposed adjustment will be added to the Fixed Monthly Service Charges and a corresponding decrease will be reflected in the Consumption Charges in Schedule 1, Part I – Water Rates. |

| | |
|------------|--|
| Reference: | 2.3.3 Special Rate Adjustments for the 90 Day Deferral Program |
| Current: | Not Applicable |
| Proposed: | A Special Rate Adjustment in 2022 to be applied to the Fixed Monthly Service Charges in Schedule 1, Part I – Water Rates for the 90 Day Deferral Program to recover the costs for administering the deferral of customer payments, interest expenses and any incremental bad debt costs. |
| Rationale: | The Special Rate Adjustment for the 90 Day Deferral Program has been structured to be in compliance with the provincial <i>Utility Payment Deferral Program Act</i> , SA 2020 C U-4 which applies to electricity and gas customers. This is a temporary program responding to the extraordinary impact of the COVID-19 pandemic on customers' ability to make utility bill payments. This Special Rate Adjustment will be removed from Customer bills in 2023. |

| | |
|------------|---|
| Reference: | 2.3.4 Special Rate Adjustment for the Public Fire Protection Program |
| Current: | Not Applicable |
| Proposed: | A Special Rate Adjustment for the Public Fire Protection Program to be added to the Public Fire Protection Monthly Charge in Schedule 1, Part I – Water Rates in 2022 to commence collection of the public fire protection revenue requirement through Water Rates. |
| Rationale: | This Special Rate Adjustment for the Public Fire Protection Program is required for compliance with Edmonton City Council's direction to recover public fire protection costs directly through Water Rates. |

2.3.4 Water Services Quality Metrics

Article 3 of Schedule 3 sets out the Water Services Quality metrics. In addition to the detailed changes described in the tables below, EWSI has further amended the Water Service Quality metrics in a non-substantive way by adding sections and headings. These changes align with the Drainage metrics format and allow for more clarity.

| | |
|------------|--|
| Reference: | 3.1 Water Quality Index and 3.2 Customer Service Index |
| Current: | The Water Quality Index and Customer Service Index are assigned a maximum value of 25 points and 20 points respectively. |
| Proposed: | The Water Quality Index and Customer Service Index are assigned a maximum value of 30 points and 15 points respectively. |
| Rationale: | The relative weightings have been revised in response to feedback obtained during the stakeholder engagement process on stakeholder priorities. |

| | |
|------------|---|
| Reference: | 3.1 Water Quality Index |
| Current: | A maximum of 0.5 bonus points is available for the water quality index based on the formula. |
| Proposed: | Removed |
| Rationale: | Bonus points will no longer be applied to the Water Quality Index to clarify that points earned from other performance metrics cannot be used to offset water quality performance that is below the prescribed standard for any given year. |
| Reference: | 3.2 Customer Service Index, 3.3 Reliability and Optimization Index, 3.4 Environmental Index and 3.5 Safety Index |
| Current: | A maximum of 3 bonus points is available for the customer service index based on the formula. A maximum of 3.5 bonus points is available for the reliability and optimization index based on the formula. A maximum of 1.5 bonus points is available for the environmental index based on the formula. A maximum of 1.5 bonus points is available for the safety index based on the formula. |
| Proposed: | A maximum of 2.25 bonus points is available for the customer service quality index based on the formula. A maximum of 3.25 bonus points is available for the reliability and optimization index based on the formula. A maximum of 2.25 bonus points is available for the environmental index based on the formula. A maximum of 2.25 bonus points is available for the safety index based on the formula. |
| Rationale: | The bonus points have been adjusted based on changes to the index's relative weightings in response to feedback obtained during the stakeholder engagement process. |

The following are changes, additions and deletions to the specific measures that comprise the five performance indices:

| | | Current Standard | Proposed Standard | Rationale for Change |
|---------------|---|------------------|-------------------|--|
| Section 3.3 | SYSTEM RELIABILITY and OPTIMIZATION INDEX | | | |
| Section 3.3.1 | Water Main Break Factor | 419 | 365 | Proposed standard based on current standard adjusted by the average EWSI decline since the first PBR term (12.5%). |
| Section 3.3.2 | Water Main Break Repair Duration Factor | 93.7% | 95.4% | Proposed standard based on an updated 10-year average. Current standard determined in the same manner. |
| Section 3.3.3 | Water Loss Factor | 2.0 | 1.23 | Proposed standard based on 8 year historical result. Current standard based on 4 year historic result and management judgement. |
| Section 3.3.4 | System Energy Efficiency Factor | 309 | 281 | Proposed standard based on 10 year historical result. Current standard determined in the same manner. |
| Section 3.1 | WATER QUALITY INDEX | 99.7% | 99.7% | Reflects stable value in the range of that observed over the last five years. Cost effective methods of improving further have not been able to be identified. |
| Section 3.2 | CUSTOMER SERVICE INDEX | | | |
| Section 3.2.1 | Post Audit Service Factor | 74.9% | 75.0% | Proposed standard is based on the minimum level established by the Alberta Utilities Commission (AUC), as the customer service measure calculation method has been adjusted to align with the AUC transactional measure. Current standard is based on the 10 year average. |
| Section 3.2.3 | Response Time Factor | 25 minutes | 25 minutes | Proposed standard based on geographic expansion of City and |

| | | Current Standard | Proposed Standard | Rationale for Change |
|---------------|------------------------------------|---------------------|---------------------|---|
| | | | | increased traffic. Current standard determined in the same manner. |
| Section 3.2.2 | Home Sniffing Factor | 94.4% | 94.4% | Proposed standard maintains current level. Current standard is based on the 10 year average. |
| Section 3.2.4 | Planned Construction Impact Factor | 95.8% | 95.8% | Proposed standard based on 8-year average of historical results. Current standard based on 4-year average of historic results. |
| Section 3.4 | ENVIRONMENTAL INDEX | | | |
| Section 3.4.2 | Environment Incident Factor | 6 | 5 | Proposed standard based on an updated 10 year average. Current standard based on historic performance and management judgement. |
| Section 3.4.1 | Water Conservation Factor | 17.2 m ³ | 16.8 m ³ | Proposed standard based on an updated 10 year average. Current standard determined in the same manner. |
| Section 3.4.3 | Solids Residual Management Factor | 120 days | 120 days | Proposed and current standard based on AEP commitment. |
| Section 3.5 | SAFETY INDEX | | | |
| Section 3.5.2 | Worksite Inspection Factor | 1,032 | 1,032 | Proposed standard maintains current standard. Current standard based on an updated 10-year average. |
| Section 3.5.3 | Lost Time Frequency Factor | 0.57 | 0.40 | Proposed standard based on an updated 10 year average. Current standard determined in the same manner. |
| Section 3.5.4 | All Injury Frequency Factor | 1.54 | 1.00 | Proposed standard based on an updated 10 year average. Current standard determined in the same manner. |

| | | Current Standard | Proposed Standard | Rationale for Change |
|---------------|----------------------------|------------------|-------------------|---|
| Section 3.5.1 | Near Miss Reporting Factor | 550 | 550 | Current and proposed standards based on an average of 1.25 per employee annually. |

2.3.5 Non-Routine Adjustments

Article 4 of Schedule 3 sets out the events that would warrant a non-routine adjustment to EWSI's revenue requirement in the 2022-2026 PBR term. The following contains explanations for the proposed changes to Article 4 of Schedule 3.

| | |
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| Reference: | 4.4 Deterioration of Waterworks System |
| Current: | If there is significant deterioration to the Waterworks System or Wastewater Treatment facilities, beyond reasonable projections, remediation costs will be considered as non-routine. |
| Proposed: | If there is significant deterioration to the Waterworks System or Wastewater Treatment facilities , beyond reasonable projections, remediation costs will be considered as non-routine. <u>Without limiting the foregoing, these circumstances may include unanticipated asset failure or deterioration requiring immediate repair or remediation.</u> |
| Rationale: | This proposed addition clarifies the circumstances that constitute significant deterioration to the Waterworks System. |

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| Reference: | 4.9 Grant Funding |
| Current: | N/A |
| Proposed: | <u>Cost reductions from the approved revenue requirement resulting from the receipt of grants or recognition of approved grants shall be considered as a negative non-routine adjustment.</u> |
| Rationale: | This proposed new addition allows EWSI to have received grants and approved grants considered as negative non-routine adjustments. This proposed adjustment is for instances where grant funding is received for projects that are already included in rates. The reduction in rates through a negative non-routine adjustment will eliminate duplicate funding of a single project. |

APPENDIX A – Part 2
SUMMARY OF THE EPCOR DRAINAGE AND WASTEWATER SERVICES BYLAW AND KEY CHANGES

3.0 OVERVIEW OF PROPOSED DRAINAGE AND WASTEWATER SERVICES BYLAW

○ Overview

Through the Drainage and Wastewater Services Bylaw, EWSI seeks approval for the following:

- (l) Extension of the PBR from April 1, 2022 to March 31, 2025.
- (m) Inclusion of a PBR formula to set rates based on routine and non-routine adjustments commencing April 1, 2023.
- (n) The addition of four new Service Charges (Schedule 1 Part III).
- (o) The deletion of two Service Charges.
- (p) Updated Terms and Conditions of Drainage and Wastewater Service that govern the relationship between EWSI and its customers. The majority of the proposed changes add clarity, improve consistency and readability and eliminate duplication. Details of the proposed amendments (except changes of a more minor nature) are summarized in the table below. The remaining minor changes are set out in the blacklined version of the Bylaw. These changes add clarity, improve consistency and readability, and eliminate duplication.
- (q) Special Rate Adjustments for Drainage and Wastewater Services including special rate adjustments for: (i) the fixed and variable charges to rebase the revenue requirement based on forecast costs for the PBR term; (ii) the 90-day utility bill deferral program established for the deferral of sanitary and stormwater utility bill payments for customers in need; (iii) the Stormwater rate to recover costs for SIRP and (iv) the sanitary variable charges to recover costs for CORE;
- (r) The Inflation factor applied each year to prior year's drainage rates to be calculated based on a weighting of 40% non-labour component and 60% labour component to represent Drainage Services' internal cost structure (Schedule 3).
- (s) The Inflation factor applied each year to prior year's wastewater treatment rates to be calculated based on a weighting of 65% non-labour component and 35%

labour component to represent Drainage Services' internal cost structure (Schedule 3).

- (t) Maintain the Efficiency factor from the previous PBR term at 0.25%.
- (u) Updated Drainage and Wastewater Services performance standards to ensure that the standards continue to be appropriate and achievable but also sufficiently rigorous to result in a high level of customer service. Substantive changes to the Performance Measures are described in detail in the table below and are in Schedule 3 of the Bylaw.
- (v) Revisions to non-routine adjustment clauses to: (i) clarify that circumstances for the deterioration of the Drainage or Wastewater Treatment Systems may include unanticipated asset failure or deterioration requiring immediate repair or remediation; and (ii) to allow for negative non-routine adjustments related to grants (Schedule 3).

4.0 CHANGES FROM CURRENT DRAINAGE SERVICES BYLAW TO PROPOSED DRAINAGE AND WASTEWATER SERVICES BYLAW

- **Schedule 1 Price Schedule**

4.1.1. Drainage Rates

EWSI is proposing significant changes to Schedule 1, Part I of the Bylaw. Rather than detailing each proposed change (which is set out in the Blackline Version of the Bylaw), the information below identifies the substantive changes and provides a rationale for each change.

| | |
|------------|---|
| Reference: | Schedule I, Part I – Sanitary and Stormwater Utility Charges |
| Proposed: | <ul style="list-style-type: none"> • Plain language setting out the basis for the charge • Statement that the published bylaw rates are the “going-in rates” for 2022 |
| Rationale: | The proposed changes are designed to add clarity to the Sanitary Utility Charge and to demonstrate that the charge is comprised of two components: a flat and variable charge. |

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| Reference: | Schedule I, Part I – Stormwater and Stormwater Utility Charges |
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| <p>Proposed:</p> | <ul style="list-style-type: none"> • Addition of language clarifying that Stormwater Utility Charges are payable by: <ul style="list-style-type: none"> ○ all persons who receive Water Service ○ All persons who receive Drainage Services; and ○ All persons that receive the benefit, directly or indirectly, of the conveyance of Stormwater. • Clarification that “zoning” on which the Stormwater utility charge is based is the “effective zoning” designation as it appears on the tax roll for a premises. • Authorization for EWSI to use a zoning designation to approximate a property’s effective zoning designation. • Authorization for EWSI to adjust Stormwater billing factors in accordance with cost of service principles. • Statement that the published bylaw rate is the “going-in rate” for 2022. |
| <p>Rationale:</p> | <p>The proposed changes are designed to add clarity to the applicability of the Stormwater Utility Charge to all property owners, occupants and tenants within the city of Edmonton and are consistent with City Council’s intention that Stormwater Utility charges are charges applicable to all properties. The proposed changes also provide EWSI with some flexibility and discretion related to Stormwater charges. This will allow EWSI to consider the potentially unique characteristics of a property and its contribution to the Stormwater system.</p> |

4.1.2. Service Charges

The following contains explanations for the changes to Schedule 1 – Part II Service Fees and Charges.

| <p>Reference:</p> | <p>Schedule I, Part II – Service Fees and Charges</p> | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|----------|----------|----------|----------|--|------------------|----------|----------|----------|----------|----------|-------------------------------|----------|----------|----------|----------|----------|---|----------|----------|----------|----------|----------|
| <p>Current:</p> | <p>1. Application Fees</p> <table border="1" data-bbox="370 1549 1474 1900"> <thead> <tr> <th data-bbox="370 1549 586 1629">Application Type</th> <th data-bbox="586 1549 756 1629">2018 Fee</th> <th data-bbox="756 1549 935 1629">2019 Fee</th> <th data-bbox="935 1549 1114 1629">2020 Fee</th> <th data-bbox="1114 1549 1292 1629">2021 Fee</th> <th data-bbox="1292 1549 1474 1629">2022 Fee</th> </tr> </thead> <tbody> <tr> <td data-bbox="370 1629 586 1749">Application to release matter</td> <td data-bbox="586 1629 756 1749">\$354.32</td> <td data-bbox="756 1629 935 1749">\$364.95</td> <td data-bbox="935 1629 1114 1749">\$375.90</td> <td data-bbox="1114 1629 1292 1749">\$387.18</td> <td data-bbox="1292 1629 1474 1749">\$398.79</td> </tr> <tr> <td data-bbox="370 1749 586 1890">Application to approve a compliance program</td> <td data-bbox="586 1749 756 1890">\$354.32</td> <td data-bbox="756 1749 935 1890">\$364.95</td> <td data-bbox="935 1749 1114 1890">\$375.90</td> <td data-bbox="1114 1749 1292 1890">\$387.18</td> <td data-bbox="1292 1749 1474 1890">\$398.79</td> </tr> </tbody> </table> | | | | | | Application Type | 2018 Fee | 2019 Fee | 2020 Fee | 2021 Fee | 2022 Fee | Application to release matter | \$354.32 | \$364.95 | \$375.90 | \$387.18 | \$398.79 | Application to approve a compliance program | \$354.32 | \$364.95 | \$375.90 | \$387.18 | \$398.79 |
| Application Type | 2018 Fee | 2019 Fee | 2020 Fee | 2021 Fee | 2022 Fee | | | | | | | | | | | | | | | | | | | |
| Application to release matter | \$354.32 | \$364.95 | \$375.90 | \$387.18 | \$398.79 | | | | | | | | | | | | | | | | | | | |
| Application to approve a compliance program | \$354.32 | \$364.95 | \$375.90 | \$387.18 | \$398.79 | | | | | | | | | | | | | | | | | | | |

| | | | | | | |
|------------|---|---|----------|----------|----------|----------|
| | Records search | \$110.21 | \$113.52 | \$116.92 | \$120.43 | \$124.04 |
| | Application for sewer metering approval | \$329.60 | \$339.49 | \$349.67 | \$360.16 | \$370.97 |
| | Application for reduction in stormwater utility intensity development factor | \$329.60 | \$339.49 | \$349.67 | \$360.16 | \$370.97 |
| | Application for utility credit | \$329.60 | \$339.49 | \$349.67 | \$360.16 | \$370.97 |
| | Application for large wholesale designation | \$329.60 | \$339.49 | \$349.67 | \$360.16 | \$370.97 |
| Proposed: | Application Type | 2022 Fee | | | | |
| | Application to release matter | \$189.58 | | | | |
| | Application to approve a compliance program | Subject to estimate based on cost of service. | | | | |
| | Records search | \$142.06 | | | | |
| | Application for reduction in Stormwater utility credit | | | | | |
| | Initial application | \$400.00 | | | | |
| | Renewal application | \$225.00 | | | | |
| | Application for sanitary utility credit | \$400.00 | | | | |
| Rationale: | EWSI proposes to remove two services that are no longer applicable to Drainage Services due to the absence of customers that might require either sewer metering or large wholesale designation. Additionally, EWSI proposes to change the name of the credit application programs. | | | | | |

| | | | | | |
|-------------------|---|---------------|-----------|-------------------|----------|
| Reference : | Schedule I, Part II – Service Fees and Charges | | | | |
| Current: | Other Service Charges – EWSI proposes to add the following new Service Charge Schedule 1, Part II | | | | |
| Proposed: | <p>Missed Appointment Fee To all customers who do not keep a scheduled appointment with an EWSI representative</p> <p>Missed Flood Assessment Appointment Fee Missed Obstruction Removal Appointment Fee</p> <p>No-Access Fee To all Customers who request EWSI to investigate sewer trouble but fail to provide access to the sanitary cleanout as required by EWSI’s Drainage Services Guidelines.</p> <table border="1"> <tr> <td>No-Access Fee</td> <td>\$200.00*</td> </tr> </table> <p>*This fee is subject to waiver or reimbursement if the Customer provides access to the sanitary cleanout as required by EWSI’s Drainage Services Guidelines within 30 days of the initial investigation request.</p> <p>Investigation Fee To all Customers who request EWSI to investigate sewer trouble where the result of the investigation indicates that the sewer trouble is caused by a private plumbing issue.</p> <table border="1"> <tr> <td>Investigation Fee</td> <td>\$200.00</td> </tr> </table> <p>Service Connection Fees</p> <p>The fee for new sewer connections is calculated on a cost of service basis in accordance with the Drainage Services Guidelines.</p> | No-Access Fee | \$200.00* | Investigation Fee | \$200.00 |
| No-Access Fee | \$200.00* | | | | |
| Investigation Fee | \$200.00 | | | | |
| Rationale: | <p>EWSI proposes three new service charges to allow for cost recovery in situations where EWSI costs are directly attributable to a specific customer.</p> <p>EWSI proposes a change to the Service Connection fees from a flat fee to a fee based on actual costs of service. This change aligns with the principle that directly attributable costs should be paid by the user of the service.</p> | | | | |

4.1.3. Wastewater Treatment Rates

The following contains explanations for the more substantive changes to Schedule 1, Part III – Wastewater Treatment Rates:

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| Reference: | Schedule I, Part III – Wastewater Treatment Rates |
| Current: | <p style="text-align: center;">Wastewater Treatment Rate: Sewer Metering</p> <p>Applicable To non-residential wastewater treatment service customers discharging more than 50,000 m³ per month to the City’s sanitary sewer system and who wish to apply for sewer metering in place of water meter readings.</p> <p>The customer must submit a written application to The City, following the terms and processes outlined in the City of Edmonton Bylaw 9675, Sewers Use Bylaw, as amended.</p> |
| Proposed: | Delete entire provision. |
| Rationale: | EWSI proposes to delete this provision as there are no customers for whom this provision is relevant. |

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| Reference: | Schedule I, Part III – Wastewater Treatment Rates |
| Current: | <p style="text-align: center;">Wastewater Treatment Rate: Sanitary Utility Credit</p> <p>Applicable To non-residential wastewater treatment service customers who can clearly demonstrate that there is a water loss experience between their water consumed and their discharges to the sanitary sewer system on a continuous monthly basis.</p> <p>The customer must submit a written application to The City, following the terms and processes outlined in the City of Edmonton Bylaw 9675.</p> |
| Proposed: | <p style="text-align: center;">Wastewater Treatment Rate: Sewer Sanitary Utility Credit</p> <p>Applicable To non-residential wastewater treatment service Customers who can clearly demonstrate that there is a water loss experience between their water consumed and their discharges to the sanitary sewer system on a continuous monthly basis.</p> |

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| | <p>The customer must submit a written application to The City, following the terms and processes outlined in the City of Edmonton Bylaw 9675. EPCOR as required by Schedule 2 to the Bylaw.</p> |
| Rationale: | EWSI proposes to amend this provision to reflect that this process is an EPCOR, rather than City process. |
| Reference: | Schedule I, Part III – Wastewater Treatment Rates |
| Current: | <p style="text-align: center;">Residential Wastewater Treatment Service</p> <p>Applicable To all domestic service Customers and multi-residential service Customers located within the city of Edmonton which are serviced by or connected to the City’s sewerage system.</p> <p>A domestic service and multi-residential service are defined in Part I of this Schedule.</p> |
| Proposed: | <p style="text-align: center;">Residential Wastewater Treatment Service</p> <p>Applicable To all domestic service Customers and multi-residential service Customers located within the city of Edmonton which are serviced by or connected to the City’s sewerage system.</p> <p>A domestic service and multi-residential service are defined in Part I of this Schedule.</p> <p>A domestic service is defined as a service supplied to premises used primarily for domestic purposes, where no more than four separate dwelling units are metered by a single water meter and the service line to the premises is not greater than 50 millimeters in diameter.</p> <p>If a business is conducted from premises that otherwise fall within the above definition of a domestic service, Commercial Wastewater Treatment Service rates apply; provided however, that if a portion of the premises from which the business is conducted is separately metered, then a Commercial Wastewater Treatment Services rate will apply only to that portion of the premises.</p> |
| Rationale: | EWSI proposes to amend this provision to reflect the inclusion of Wastewater Treatment Rates in the Drainage and Wastewater Treatment Services Bylaw. |

○ **Schedule 2 Terms and Conditions of Drainage and Wastewater Treatment Services**

The following contains explanations for the more substantive changes to Schedule 2 – Terms and Conditions of Water Services.

Article 1 – Definitions and Interpretation

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| Reference: | 1.1 Definitions |
| Current: | |
| Proposed: | “Authorized Agent” means a person who has a valid EWSI access permit as set out in the Drainage Services Guidelines. |
| Rationale: | This item is added to provide clarity regarding persons who can access EWSI facilities. |

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| Reference: | 1.1 Definitions |
| Current: | “Subsurface Water” means water at a depth of not more than 15 metres beneath the surface of the ground. |
| Proposed: | “Subsurface Water” means means water at a depth of not more than 15 metres beneath the surface of the ground naturally occurring that collects or flows beneath the ground surface filling the porous space of sediment, soil and rocks; |
| Rationale: | This item is added to provide clarity. |

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| Reference: | 2.3 Drainage Services Guidelines |
| Current: | |
| Proposed: | The document entitled “ EPCOR Drainage Services Water and Sewer Connections Guidelines” |
| Rationale: | EWSI proposes to add an additional document to its Drainage Services Guidelines to provide details related to Service connections. |

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| Reference: | 4.3 Flow Monitoring Points |
| Current: | (d) This section does not apply to: (i) residential properties discharging only Wastewater from domestic sources; or (ii) minor redevelopments exempted by EWSI. |
| Proposed: | (d) Unless exempted by EWSI, this section applies to all premises except single-family or duplex properties that discharge only Wastewater from domestic sources. |

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| Rationale: | This amendment expands possible exemption from flow monitoring to duplex properties. |
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| Reference: | 4.6 Screening and Pretreatment |
| Current: | The Owner of a premises shall install screens or pretreatment facilities within the Private Drainage System for the premises when required to do so by the EWSI. |
| Proposed: | The Owner of a premises shall install screens or pretreatment facilities or modify pretreatment processes , within the Private Drainage System for the premises when required to do so by the EWSI. |
| Rationale: | This amendment expands EWSI's ability to require owners to modify their existing pretreatment processes. |

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| Reference: | 4.12 Stormwater Management Facilities |
| Current: | |
| Proposed: | (c) A Person shall not facilitate any of the activities prohibited by this section. |
| Rationale: | This proposed addition better enables EWSI to enforce the provisions of the Bylaw by including persons who facilitate prohibited activities. |

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| Reference: | 5.5 Waste Management |
| Current: | |
| Proposed: | (b) A Person who keeps or stores a Prohibited or Restricted Waste shall ensure that those material are sequestered through secondary containment, barriers and/or distance to ensure that the Prohibited or Restricted Waste is not Released into the Sewerage System. |
| Rationale: | This proposed addition provides clarification related to the storage of Prohibited or Restricted Waste and is sought to reduce the risks associated with these materials. |

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| Reference: | 5.17 Release Control |
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| Current: | |
| Proposed: | (c) prevent future releases of matter other than those permitted in this Article. |
| Rationale: | This proposed addition allows EWSI to require persons to take preventative measures to ensure that further releases do not occur. |

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| Reference: | 8.1 Protection of EWSI's Facilities and Property of Other Customers |
| Current: | Only an employee or authorized agent of EWSI shall remove, operate, or maintain EWSI Facilities. A Customer shall not obstruct access to or interfere with any Facility or permit the same to be done by any Person other than an employee or authorized agent of EWSI. If a Customer or a Person authorized by a Customer fails to comply with this provision, the Customer is responsible to pay the cost of repairing or otherwise remedying any damage to or loss of Facilities located on the Customer's premises or premises controlled by the Customer, unless caused by circumstances, as determined in EWSI's sole discretion, to have been beyond the Customer's control. |
| Proposed: | Only an EWSI employee or Authorized Agent shall remove, operate, enter, access, attach affix to or maintain EWSI Facilities. A Customer shall not obstruct access to or interfere with any Facility or permit the same to be done by any Person other than an employee or authorized agent of EWSI. If a Customer or a Person authorized by a Customer fails to comply with this provision, the Customer is responsible to pay the cost of repairing or otherwise remedying any damage to or loss of Facilities located on the Customer's premises or premises controlled by the Customer, unless caused by circumstances, as determined in EWSI's sole discretion, to have been beyond the Customer's control. |
| Rationale: | The purpose of this amendment is to clarify that only EWSI employees or persons authorized by EWSI can perform work on EWSI's Facilities. |

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| Reference: | 13.2 Discontinuation of Water Service |
| Current: | In addition to any other remedy or penalty, EWSI may discontinue the provision of water services as provided by EPCOR Water Services and Wastewater Treatment Bylaw to any premises if the Customer of that premises is in breach of these Terms and Conditions and no less than forty- |

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| | eight hours advance notice of the discontinuance is provided to the Customer of the premises. |
| Proposed: | In addition to any other remedy or penalty, EWSI may, in its sole discretion , discontinue or limit the provision of water services as provided by EPCOR Water Services and Wastewater Treatment Bylaw to any premises if the Customer of that premises is in breach of these Terms and Conditions and no less than forty-eight hours advance notice of the discontinuance is provided to the Customer of the premises. |
| Rationale: | This provision will allow EWSI to limit, rather than fully discontinue, water supply where customers are in breach of the Terms and Conditions of Service. |

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| Reference: | 15.4 Powers of EWSI |
| Current: | 15.4 (c) take any steps or carry out any actions required to remedy a contravention of this bylaw; |
| Proposed: | 15.4 (c) take any steps or carry out any actions required to remedy a contravention or release which, in EWSI's reasonable opinion, appears to be a contravention of this bylaw; |
| Rationale: | The purpose of this amendment is to expand EWSI's authority to take action where, based on reasonable belief, there appears to a bylaw contravention. |

2.4 Schedule 3 Performance Based Water Rates

2.4.1 Overview

EWSI is proposing significant changes to Schedule 3 of the Bylaw. Rather than detailing each proposed change (which is set out in the Blackline Version of the Bylaw), the information below identifies the substantive changes and provides a rationale for each change. The majority of these changes are driven by the introduction rate adjustments consistent with Performance Based Rates and Special Rate Adjustments.

2.4.2 Section 1.0 Rate adjustments

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| Reference: | Schedule 3, Section 1.0 |
| Current: | |
| Proposed: | <ul style="list-style-type: none"> • Provision for a three-year PBR term • Inclusion of a PBR formula which allows for the adjustment of variable rates, consumption charges, fixed and flat monthly service charges, service charges and fees, Wastewater Overstrength Surcharges. • Provision for routine rate adjustments including an Inflation Factor, Efficiency Factor and Special Rate Adjustments. |
| Rationale: | The purpose of these amendments is to ensure that Sanitary, Stormwater and Wastewater Treatment rates reflect Performance Based Rates. |

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| Reference: | Schedule 3, Section 2.1 |
| Current: | N/A for Drainage |
| Proposed: | <p>The inflation factor for Drainage is proposed to be determined on the basis of two components:</p> <ol style="list-style-type: none"> a) a Consumer Price Index (“CPI”) component, weighted at 40%, based on the annual Conference Board of Canada’s forecast for Statistics Canada CANSIM Services V41694625 – CPI, 2005 Basket, 2002 = 100, Alberta, All Items; and b) a Labour Cost component, based on the annual Conference Board of Canada’s forecast for Statistics Canada CANSIM Series V1603533, weighted at 60%. <p>The inflation factor for Wastewater is proposed to be determined on the basis of two components:</p> <ol style="list-style-type: none"> a) a Consumer Price Index (“CPI”) component, weighted at 65%, based on the annual Conference Board of Canada’s forecast for Statistics Canada CANSIM Services V41694625 – CPI, 2005 Basket, 2002 = 100, Alberta, All Items; and |

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| | b) a Labour Cost component, based on the annual Conference Board of Canada's forecast for Statistics Canada CANSIM Series V1603533, weighted at 35%. |
| Rationale: | This proposed amendment adjusts the weighting of labour versus non-labour costs. |

2.4.3 Special Rate Adjustments for Drainage and Wastewater Treatment Services

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| Reference: | 2.3.1 and 2.3.2 Special Rate Adjustments for Re-Basing |
| Current: | In the 2017-2021 PBR term for Drainage, a provision for Re-Basing was not included as 2017 was the "going-in" year. In the 2017-2021 PBR term for Wastewater Treatment Service, a Special Rate Adjustment for Re-Basing was added to the Consumption Charge and Fixed Monthly Service Charge as an annual adjustment over the PBR term. |
| Proposed: | In the 2022-2024 PBR term, a Special Rate Adjustment for Re-Basing will be added to the Sanitary and Stormwater Rates and to the Flat Monthly Service Charges as an annual adjustment over the PBR term. In the 2022-2024 PBR term a Special Rate Adjustment for Re-Basing will be added to the Consumption Charge, Fixed Monthly Service Charge, Wastewater Surcharge and Wastewater Overstrength Charge as an annual adjustment over the PBR term. |
| Rationale: | In the 2017-2021 Wastewater PBR application EWSI proposed a one year rebasing adjustment in 2017. At the request the City EWSI smoothed the re-basing adjustment as an annual adjustment over the PBR term. EWSI has proposed to continue the Special Rate Adjustment for Re-Basing as an annual adjustment over the PBR term. |

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| Reference: | 2.3.3 Special Rate Adjustments for the 90 Day Deferral Program |
| Current: | Not Applicable |
| Proposed: | A Special Rate Adjustment in 2022 to be applied to the Stormwater Utility Rate Schedule 1, Part 1 and the Fixed Monthly Service Charge for Wastewater in Schedule 1, Part III for the 90 Day Deferral Program to recover the costs for administering the deferral of customer payments, interest expenses and any incremental bad debts costs. |

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| Rationale: | The Special Rate Adjustments for the 90 Day Deferral Program, which has been structured to be in compliance with the provincial <i>Utility Payment Deferral Program Act</i> , SA 2020 C U-4 which applies to electricity and gas customers. This is a temporary program responding to the extraordinary impact of the COVID-19 pandemic on customers' ability to make utility bill payments. This Special Rate Adjustment will be removed from Customer bills in 2023. |
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| Reference: | 2.3.4 Special Rate Adjustment for the CORE Program |
| Current: | Not Applicable |
| Proposed: | A Special Rate Adjustment to be added to the Sanitary Utility Rate over the PBR 2022-2024 term for the CORE Program to recover the costs to prevent the formation of hydrogen sulfide gas which will reduce odour impacts and lengthen the life of the sewer network through corrosion mitigation. |
| Rationale: | This Special Rate Adjustment is part of a robust strategy to address odour issues which are often precursors to more serious corrosion and premature failure of sewer assets. The Special Rate Adjustment is structured as part of a multi-stage program that EWSI proposes to implement through successive PBR periods. |

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| Reference: | 2.3.5 Special Rate Adjustment for SIRP |
| Current: | Not Applicable |
| Proposed: | A Special Rate Adjustment to be added to the Stormwater Utility Rate over the PBR 2022-2024 term for the SIRP Program to recover the costs of a flood mitigation program. |
| Rationale: | This Special Rate Adjustment is structured as part of a 20-30 year strategy to mitigate flood risk by reducing the health and safety, financial and social risks of flooding. Initial implementation of the SIRP program was funded through an approved non-routine adjustment. EWSI is proposing to implement SIRP in stages at each successive PBR period. |

2.4.4 Non-Routine Adjustments

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| Reference: | 2.4 Non-routine adjustments |
| Current: | Commencing January 1 st , 2019 and for each subsequent year on that date the variable charge for the Sanitary Utility Charge, and/ or the Stormwater Utility Rate may be adjusted in accordance with the non-routine adjustment clause, Article 4.0 herein, as applicable. |

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| Proposed: | Commencing January 1 st , 2023 19 and for each subsequent year on that date the variable flat charge for the Sanitary Utility Charge and/ or the Stormwater utility Rateservice and/or the fixed charge for Wastewater Treatment service may be adjusted in accordance with the non-routine adjustment clause, Article 5.0 herein, as applicable. |
| Rationale: | The purpose of this amendment is to change the charge on which to apply any non-routine adjustments related to Sanitary or Stormwater service from the variable to the flat charge. In addition, this amendment also includes Wastewater Treatment, as applicable. |

2.4.5 Drainage Services Quality

The following table provides a summary of proposed revisions to the Drainage System Service Quality performance indices in Section 3.0 of Schedule 3, including updates and the rationale for changes, as appropriate. The current performance metrics for Drainage Services were introduced in January of 2020 and have not yet completed a full reporting cycle. EWSI is thus proposing largely maintain the existing program for the 2022-2024 PBR term subject to the following revisions:

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|------------|---|
| Reference: | 3.1 Environmental Index and 3.3 System Reliability / Optimization Index |
| Current: | The Environmental Index and system Reliability/Optimization Index are assigned a maximum value of 30 points and 35 points respectively. |
| Proposed: | The Environmental Index and System Reliability / Optimization Index are assigned a maximum value of 35 points and 30 points respectively. |
| Rationale: | The relative weightings have been revised in response to feedback obtained during the stakeholder engagement process on stakeholder priorities. |

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| Reference: | 3.1 Environmental Index |
| Current: | The current Green Hectares standard is 22. |
| Proposed: | EWSI proposes a phased increase to this standard as follows: 2022: 45 2023: 90 2024: 180 |
| Rationale: | EWSI is proposing to set the performance standard at a successively higher number each year to recognize the planned installation of green infrastructure. |

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| Reference: | 3.2.4 Customer Service Index |
| Current: | The current sewer odour hotspot factor is 16%. |
| Proposed: | EWSI proposes a phased change to this standard as follow 15.0% 2022: 15.0% 2023: 14.5% 2024: 14% |
| Rationale: | EWSI is proposing to set the performance standard at a successively more challenging target each year to recognize the planned CORE Strategy. |

2.4.6 Wastewater Treatment Service Quality

In addition to the detailed changes described in the tables below, EWSI has further amended the Wastewater Treatment Service Quality metrics in a non-substantive way by adding sections and heading. These changes align with the Drainage metrics format and allow for more clarity.

| | |
|------------|--|
| Reference: | 4.1 Water Quality Environmental Index and 4.3 System Reliability / Optimization Index |
| Current: | The Water Quality Environmental Index and System Reliability/Optimization Index are assigned a maximum value of 55 points and 15 points respectively. |
| Proposed: | The Water Quality Environmental Index and System Reliability/Optimization Index are assigned a maximum value of 45 points and 25 points respectively.. |
| Rationale: | The relative weightings have been revised in response to feedback obtained during the stakeholder engagement process on stakeholder priorities. |

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| Reference: | 4.1.1 Water Quality Factor |
| Current: | The current water quality standard is 28. |
| Proposed: | EWSI proposes the new water quality standard as 26. |
| Rationale: | EWSI is proposing to set a more stringent standard, recognizing both increasing performance standards and that continued improvements in plant operations be come more difficult to achieve due to factors outside of EWSI's control. |

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| Reference: | 4.1.2 Environment Incident Factor |
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| Current: | The current environment incident factor is 10. |
| Proposed: | EWSI proposes the environment incident factor as 5. |
| Rationale: | EWSI is proposing to set a more stringent standard, recognizing both increasing performance standards and that continued improvements in plant operations be come more difficult to achieve due to factors outside of EWSI's control. |

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| Reference: | 4.2.1 H ₂ S – 1 Hour Exceedance Factor |
| Current: | The current H ₂ S Exceedance factor is 6. |
| Proposed: | EWSI proposes the 1 Hour H ₂ S Exceedance Factor at 4. |
| Rationale: | EWSI is proposing to set a more stringent standard, recognizing increasing performance standards. |

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| Reference: | 4.2.2 H ₂ S – 24 Hour Exceedance Factor |
| Current: | The current 24 Hour H ₂ S Exceedance factor is 2. |
| Proposed: | EWSI proposes the H ₂ S 24 hour Exceedance Factor at 1. |
| Rationale: | EWSI is proposing to set a more stringent standard, recognizing increasing performance standards |

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| Reference: | 4.2.3 Scrubber Uptime Factor |
| Current: | The current Scrubber Uptime Factor is 90%. |
| Proposed: | EWSI proposes the Scrubber Uptime Factor at 96%. |
| Rationale: | EWSI is proposing to set a more stringent standard which reflects an increase in performance and is a reflection of the last three years of performance. |

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| Reference: | 4.3.1 Enhanced Primary Treatment Factor |
| Current: | The current Enhanced Primary Treatment Standard is 80% |
| Proposed: | EWSI proposes the updated Enhanced Primary Treatment Standard at 94%. |
| Rationale: | EWSI is proposing to set a more stringent standard which reflects an increase in performance and is based on the 8-year average of historic performance. |

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| Reference: | 4.3.2 Bio-Solids Inventory Reduction |
| Current: | The current Bio-Solids Inventory Reduction is 1.10. |
| Proposed: | EWSI proposes the updated Bio-Solids Inventory Reduction at 1.05. |
| Rationale: | EWSI is proposing to set a more stringent standard which reflects an increase in performance and is based on a rolling average that will provide a degree of smoothing to the variability that occurs in year over year results that is beyond EWSI's control. |

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| Reference: | 4.3.3 Energy Efficiency Factor |
| Current: | The current Energy Efficiency standard is 534. |
| Proposed: | EWSI proposes the Energy Efficiency standard at 508. |
| Rationale: | EWSI is proposing to set a more stringent standard which reflects an increase in performance and is a reflection of historic average of the past 9 years. |

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| Reference: | All Injury Frequency Factor |
| Current: | The current All Injury Frequency Factor is 1.5. |
| Proposed: | EWSI proposes the updated All Injury Frequency Factor at 1.00. |
| Rationale: | EWSI is proposing to set a more stringent standard which reflects EWSI's commitment to health and safety for all employees. |

2.4 Non-Routine Adjustments

Article 5 of Schedule 3 sets out the events that would warrant a non-routine adjustment to EWSI's revenue requirement in the 2022-2024 PBR term. The following contains explanations for the proposed changes to Article 4 of Schedule 3.

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| Reference: | 5.3 Deterioration of Drainage or Wastewater Treatment Systems |
| Current: | If there is significant deterioration to the Drainage System facilities, beyond reasonable projections, remediation costs will be considered as non-routine. |

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| Proposed: | If there is significant deterioration to the Drainage System or Wastewater Treatment facilities, beyond reasonable projections, remediation costs will be considered as non-routine. Without limiting the foregoing, these circumstances may include unanticipated asset failure or deterioration requiring immediate repair or remediation. |
| Rationale: | This proposed addition clarifies the circumstances that constitute significant deterioration to the Drainage System or Wastewater Treatment facilities. |

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| Reference: | 5.9 Non-Routine Adjustments |
| Current: | N/A |
| Proposed: | Cost reductions to the approved revenue requirement resulting from the receipt or recognition of approved grants will be considered as a negative non-routine adjustment. |
| Rationale: | This proposed new addition allows EWSI to have grants considered as negative non-routine adjustments. This proposed adjustment is for instances where grant funding is received for projects that are already included in rates. The reduction in rates through a negative non-routine adjustment will eliminate duplicate funding of a single project. |