



EPCOR
Water Services Inc.

Amendments to Waterworks Bylaw

**Rates Notice
& Rates Report**



January 26, 2004

**EPCOR Water Service Inc.
Amendments to Waterworks Bylaw No. 12585**

Rates Notice and Rates Report

Table of Contents

Section	Tab Name
RATES NOTICE	Rates Notice
RATES REPORT	Rates Report
Impact of Franchise Fee Increase on 2004 Water Rates	Attachment 1
Service Charges	Attachment 2
Fire Protection Charge	Attachment 3
Water Quality, Environmental and Safety Indices Applicable to Schedule 3 of the Water Works Bylaw	Attachment 4
Rates Comparison with Surrounding Communities and Other Regions	Attachment 5
AMENDMENT BYLAW	Bylaw 13636 EPCOR Waterworks Amendment Bylaw

EPCOR Water Services Inc.

Waterworks Bylaw

Rates Notice

RATES NOTICE for Water Rates

Section 6(a) of the *EPCOR Rates Procedures Bylaw* (Bylaw 12294) provides that at such time as EPCOR Water Services Inc. (EWSI) seeks to set or amend Rates, it must provide the City Manager with a Rates Notice containing:

- a brief description of the nature of the Rates approval being sought;
- the proposed effective dates of the new Rates; and
- the preferred date for a public hearing.

Accordingly, EWSI provides the following Rates Notice.

1. RATES APPROVAL BEING SOUGHT

EWSI respectfully requests that Edmonton City Council amend the Waterworks Bylaw (Bylaw 12585) as more particularly described in this Rates Notice and the accompanying Rates Report filed concurrently by EWSI with the City Manager.

The requested amendments to the Waterworks Bylaw include:

- With respect to Schedule 1 of the Waterworks Bylaw (i.e., EWSI's Price Schedules):
 - Amending Part I to adjust the Consumption Charge for Residential, Multi-residential and Commercial Service to reflect an increase in franchise fees paid by EWSI to the City of Edmonton; and
 - Amending Part III to adjust certain Service Charges to reflect EWSI's assessment of the current costs of providing those services and to remove the reference to the Hydrant Flow Test.
- With respect to Schedule 3 of the Waterworks Bylaw:
 - Amending section 1.2 to incorporate the transfer of funding associated with a Fire Protection Charge from the tax levy to EWSI's water rates into the annual rate adjustment for the Fixed Monthly Service Charge;
 - Amending section 2.1 to reflect a change in the applicable Statistics Canada publication;
 - Amending section 3.0 to:

-
- make specific reference to the document entitled “Water Quality, Environmental and Safety Indices Applicable to Schedule 3 of the Waterworks Bylaw”; and
 - revise the measurement criteria used in relation to the Water Main Break Repair Duration Factor.

A more detailed explanation of the requested amendments and, where applicable, their impact on EWSI's Rates, is provided in the Rates Report filed in conjunction with this Rates Notice.

2. PROPOSED EFFECTIVE DATES OF THE NEW RATES

EWSI proposes that Rates reflecting the requested amendments to the Waterworks Bylaw take effect on April 1, 2004.

3. PREFERRED DATE FOR A PUBLIC HEARING

The preferred date for a public hearing is March 9, 2004.

EPCOR Water Services Inc.
Waterworks Bylaw
Rates Report

RATES REPORT for Amendments to the Waterworks Bylaw

EWSI has filed a Rates Notice with the City Manager which, among other things, describes certain amendments that EPCOR Water Services Inc. (EWSI) is requesting that City Council make to the *Waterworks Bylaw* (Bylaw 12585) (the Waterworks Bylaw). These amendments will result in changes to EWSI's Rates commencing April 1, 2004.

Section 6(b) of the *EPCOR Rates Procedures Bylaw* (Bylaw 12294) provides that at such time as EWSI seeks to set or amend Rates, it must provide the City Manager with a Rates Report that includes:

- a sufficient explanation to allow Council to reasonably assess the Rates in relation to the objectives set out in section 5 of the Rates Procedures Bylaw; and
- comparisons to rates in surrounding communities and other regions.

Accordingly, EWSI provides the following Rates Report.

Section 1: Explanation of Changes

1) Background

EWSI's Rates, which are more commonly referred to as "water rates", are the rates and charges that apply to all customers of EWSI within the municipal boundaries of the City of Edmonton. EWSI's customers are categorized into three rate classes for the purpose of determining which specific rate applies to each customer. The rate classes include Residential, Multi-residential and Commercial.

EWSI's water rates have four components:

- a Consumption Charge which is based upon the volume of water used by a customer;
- a Fixed Monthly Service Charge which is based upon the size of water meter used by the customer;
- miscellaneous Service Charges for various types of specific services; and
- rate riders which are primarily used to refund amounts from customers who own and maintain their own components of the water infrastructure system, as provided for under EWSI's approved tariffs.

2) Amendments to Schedule 1 (Price Schedules) of the Waterworks Bylaw

(a) Amend Consumption Charge to reflect changes to the Franchise Fee

EWSI recovers, through its approved Consumption Charge, franchise fees paid by EWSI to the City of Edmonton.

Under a Franchise Amending Agreement effective January 1, 2004 between the City of Edmonton and EWSI, the franchise fee payable by EWSI to the City has been increased from 7.2% to 7.6% of annual revenues. The change results in an additional [forecast amount of] \$400,000 to be paid by EWSI to the City in 2004. The Consumption Charge component of EWSI's water rates requires revision to reflect the increased amount payable to the City.

A more detailed description of the franchise fee and the impact of the increase in franchise fee on EWSI's 2004 water rates is provided in Attachment 1 to this Rates Report.

(b) Revise Service Charges

EWSI has determined that certain Service Charges set out in Part III of Schedule 1 of the Waterworks Bylaw are substantially below EWSI's current reasonable cost of providing those services. Accordingly, EWSI is requesting that Part III of Schedule 1 of the Waterworks Bylaw be amended to include charges for these services that more closely reflect EWSI's actual costs associated with providing them.

A detailed description of the requested amendments to Service Charges is provided in Attachment 2 to this Rates Report.

EWSI is also requesting that the Waterworks Bylaw be amended to remove the reference to Hydrant Flow Tests from Part III of Schedule 1. Section 13.9 of EWSI's Terms and Conditions of Service included in Schedule 2 of the Waterworks Bylaw adequately deals with the pricing of this service. As well, EWSI's cost of providing this service will vary depending upon customer needs and test specifications.

3) Amendments to Schedule 3 of the Waterworks Bylaw

EWSI has identified a number of revisions that are required to be made to Schedule 3 of the Waterworks Bylaw. The specific amendments are described below. Most are of an administrative or "housekeeping" nature. As well, none of the amendments will result in any changes to EWSI's Price Schedules as they currently appear in Schedule 1 of the Waterworks Bylaw. They will, however,

affect and be reflected in the price schedules to be included in EWSI's annual rate filings made pursuant to sections 5 and 7 of the Waterworks Bylaw.

(a) Section 1.2

Amend the annual rate adjustment of the Fixed Monthly Service Charge to incorporate the Fire Protection Charge.

In December 2003, City Council approved the funding source of the Fire Hydrant Service Agreement "Fire Protection Charge" to be transferred from the tax levy to EWSI water customers and be blended into regular water rates. City Council also directed City Administration to work with EWSI to bring back to City Council the Rates Notice required under Bylaw 12294, the EPCOR Rates Procedures Bylaw, as well as the amendment to Bylaw 12585, the Waterworks Bylaw, required to incorporate the Fire Protection Charge into the Waterworks Bylaw.

Consistent with the City Council's approval, EWSI is requesting that City Council amend the annual rate adjustment of the Fixed Monthly Service Charge as it appears in section 1.2 of the Waterworks Bylaw to incorporate the Fire Protection Charge. The form of the requested amendment reflects the fact that the Fire Protection Charge will vary and be charged, by customer class (i.e., Residential, Multi-residential and Commercial Service).

A more detailed description of the Fire Protection Charge and the impact of its inclusion in the Fixed Monthly Service Charge on EWSI's water rates is provided in Attachment 3 to this Rates Report.

The City of Edmonton Emergency Response Department (ERD) is engaged in a process to advise and consult with affected water users such as schools, community leagues, church groups and business associations, prior to the public hearing respecting EWSI's requested amendment. The ERD will submit a report of its findings to City Council following the completion of this process, on or before the requested hearing date.

(b) Section 2.1

Under section 2.1, the actual rate of inflation is measured by the change in the Consumer Price Index for Alberta (CPI). The measure identified in section 2.1 as "Consumer Price Index (CPI): Statistics Canada Series P209000 – CPI, 1996 Classification, 1992 – 100, Alberta, All Items" is no longer published. This series terminates with data up to the end of 2001.

EWSI requests that section 2.1 be amended to refer to "Consumer Price Index (CPI): Statistics Canada Series V738721 – CPI, 1996 Classification, 1992=100, Alberta, All Items", which is now the appropriate Statistics Canada publication.

(c) Section 3.0

Incorporate a reference to the document entitled "Water Quality, Environmental and Safety Indices Applicable to Schedule 3 of the Waterworks Bylaw".

On January 20, 2003, EWSI placed on public record with the City Manager a document entitled "Water Quality, Environmental and Safety Indices Applicable to Schedule 3 of the Water Works Bylaw". A copy of this document is included as Attachment 4 to this Rates Report. The document provides information necessary to clarify and better define the quantitative measures used to evaluate the performance of EWSI as described in section 3.0 of Schedule 3, and to enable the independent auditor to provide an audit opinion as required by the Waterworks Bylaw. The City Manager confirmed that the document was acceptable for the purposes of section 3.0 of the Waterworks Bylaw by letter dated January 22, 2003.

EWSI requests that Section 3.0 be amended to incorporate the document entitled "Water Quality, Environmental and Safety Indices Applicable to Schedule 3 of the Water Works Bylaw" as part of the Waterworks Bylaw.

Revise the measurement criteria used in relation to the Water Main Break Repair Duration Factor.

The Waterworks Bylaw currently provides that the Water Main Break Repair Duration Factor is measured by the formula:

$$\frac{MR_C}{93.0\%}$$

Where, MR_C means the actual times that EWSI repairs water main breaks within 24 hours from receiving the customer call as a percentage of total customer calls related to water main breaks.

The Water Main Break Duration Factor is incorrectly defined in the Waterworks Bylaw. Historically, EWSI has measured its Water Main Break Repair Duration Factor based on the number of times that EWSI repairs water main breaks within 24 hours from the time the water is shut off once the water main break with customer interruption is confirmed. The current benchmark of 93.0% was based on a 5-year historical average using this criteria. When customers have specific water problems, they can call EWSI's dispatch office. If this call is related to a water main break, a service person is dispatched to confirm the break. Once confirmation is received and the water is shut off, EWSI is able to

measure system reliability based on the speed at which EWSI repairs water main breaks when they occur.

The impact of the definition of MR_C being incorrectly defined has resulted in EWSI actual results for the Water Main Break Repair Duration Factor being lower than historically reported. Actual results for 2003 (unaudited) and 2002 were reported as 83.63% and 84.03%, respectively, compared to the 93.0% benchmark. If MR_C were amended to be consistent with criteria used in the benchmark, the 2003 and 2002 results would have been 93.75% and 94.24%, respectively.

EWSI requests that the definition of MR_C be amended to be based on the number of times that EWSI repairs water main breaks within 24 hours from the time the flow of water is shut off following confirmation of a water main break with customer interruption, as a percentage of total water main breaks with customer interruption as confirmed by EWSI annually. The amendment is intended to ensure the actual results will be measured consistent with the criteria used when the current benchmark of 93.0% was developed.

4) Section 5 of the EPCOR Rates Procedures Bylaw (Guiding Objectives)

EWSI submits that the information provided above and in the Attachments to this Rates Report demonstrates that the requested Bylaw amendments described above and, where applicable, the Rates that will result from those amendments are consistent with, and advance, the guiding objectives set out in section 5 of the EPCOR Rates Procedures Bylaw.

Section 2: Comparison of Rates

Section 6 of the EPCOR Rates Procedures Bylaw requires that a Rates Report include comparisons to rates in surrounding communities and other regions. A detailed comparison of EWSI's water rates with water rates in surrounding communities and other regions is provided in Attachment 5 to this Rates Report.

Attachments:

- | | |
|---------------|--|
| Attachment 1: | Impact of Franchise Fee Increase on 2004 Water Rates |
| Attachment 2: | Service Charges |
| Attachment 3: | Fire Protection Charge |
| Attachment 4: | Water Quality, Environmental and Safety Indices Applicable to Schedule 3 of the Waterworks Bylaw |
| Attachment 5: | Rates Comparison with Surrounding Communities and Other Regions |

Attachment 1

Impact of Franchise Fee Increase on 2004 Water Rates

Impact of Franchise Fee Increase on 2004 Water Rates

Background

The purpose of the Franchise Agreement between the City of Edmonton and EWSI is to provide EWSI with a grant of "physical access and use of" the City's property and rights-of-way and an "exclusive arrangement" to distribute water to customers throughout the City, in return for a Franchise Fee.

Under a Franchise Amending Agreement effective January 1, 2004 between the City and EWSI arising from a five-year review of the Franchise Agreement dated January 1, 1999, a change in the Franchise Fee was made to reflect an increase in the franchise fee rate from 7.2% to 7.6% of franchise revenues. The 2004 Franchise Fee is forecast to be \$7.3 million (based on 7.6% of franchise revenues) compared to \$6.9 million (based on 7.2% of franchise revenues).

The current Consumption Charge includes the cost incurred by EWSI for franchise fees paid to the City. EWSI requests that City Council amend the 2004 Consumption Charge component of the water rates to reflect the 2004 Franchise Fee based on a rate of 7.6% of revenues. Thereafter, the Consumption Charge will increase as a component of EWSI's approved performance based rates (PBR), under which rates increase by the rate of inflation less an efficiency factor of 0.5%.

Impact on Water Rates

For illustrative purposes, Table 1 shows the impact of the increase in franchise fee on EWSI's Consumption Charge.

Assuming a PBR increase of 1.5% (based on a forecast rate of inflation of 2.0% for 2004 less an efficiency factor of 0.5%), and a franchise fee payable to the City based on 7.6% of revenues for the full calendar year, the 2004 Consumption Charge would increase by 2.1% from 2003 rates. In comparison, Table 1 provides a summary of the 2004 Consumption Charge that will increase by 1.5% from 2003 rates assuming a PBR increase of 1.5% with the franchise fee percentage remaining at 7.2% of revenues, consistent with the current Waterworks Bylaw.

Table 1 – Comparison of 2004 Consumption Charge with Franchise Fee based on 7.6% and 7.2% of Franchise Revenues

Customer Class	2003 Consumption Water Rates (\$ / m3)	Includes Franchise Fee on 7.6% of Revenues		Includes Franchise Fee on 7.2% of Revenues	
		2004 Consumption Water Rates (\$ / m3)	Increase (%)	2004 Consumption Water Rates (\$ / m3)	Increase (%)
Residential:					
0 m3 - 60.0 m3	\$ 1.1058	\$ 1.1287	2.1%	\$ 1.1224	1.5%
> 60.0 m3	\$ 1.1429	\$ 1.1665	2.1%	\$ 1.1600	1.5%
Multi-Residential:					
0 m3 - 100.0 m3	\$ 1.0094	\$ 1.0303	2.1%	\$ 1.0245	1.5%
100.1 m3 - 1000.0 m3	\$ 0.8445	\$ 0.8620	2.1%	\$ 0.8572	1.5%
> 1000.0 m3	\$ 0.6978	\$ 0.7122	2.1%	\$ 0.7083	1.5%
Commercial:					
0 m3 - 100.0 m3	\$ 0.7916	\$ 0.8080	2.1%	\$ 0.8035	1.5%
100.1 m3 - 1000.0 m3	\$ 0.7304	\$ 0.7455	2.1%	\$ 0.7414	1.5%
1000.1 m3 - 5000.0 m3	\$ 0.5777	\$ 0.5896	2.1%	\$ 0.5864	1.5%
> 5000.0 m3	\$ 0.4653	\$ 0.4749	2.1%	\$ 0.4723	1.5%

The rates for EWSI, as provided in the above Table 1, reflect the impact of the increase in Franchise Fee for illustrative purposes only. EWSI's 2004 rates will not be determined until the time of EWSI's annual rate filing which will be provided to the City Manager on or before March 1, 2004.

Attachment 2

Service Charges

Service Charges

EWSI has reviewed the costs required to perform the tasks relating to the Service Charges listed in Part III of Schedule 1 of the Waterworks Bylaw. The majority of the charges have been in effect without change since January 1, 1993. Over that time frame, the Alberta Consumer Price Index, as determined by Statistics Canada, has increased from a base value of 100 in 1992, to 130.0 as at November 30, 2003, indicating a 30% increase in prices.

EWSI is proposing a more modest increase to certain Service Charges at this point to "cushion" any perceived impact on customers. Accordingly, EWSI is requesting that the following Service Charges listed in Part III of Schedule 1 of the Waterworks Bylaw be amended to reflect the current costs of providing those services:

- Service Application Charge
- No Access Charge
- Meter Test Charge
- Hydrant Service Charges
- Immediate Connection Charge
- Emergency Call Charge

The following table provides information concerning the proposed changes for the above service charges. The rationale used to determine the amount of proposed Service Fee increase for each charge is also included.

Name	Description	Current Rate	Date of Last Rate Change	Proposed Rate
Service Application Charge	To all customers who apply for a new account or change accounts for water service within the City of Edmonton boundaries	\$23.20	Jan 1, 1993	\$25.20
	Application processing costs are billed to EWSI by EPCOR Energy Services Inc. (EESI). The costs are determined pursuant to an allocation methodology prepared in contemplation of EESI's recent application to the Alberta Energy and Utilities Board. The proposed rate has been determined on the basis of recovery of the processing cost related to applications, inquiries and the cost of the initial or final meter reading and yet keeping the increase to less than 10%. The proposed rate represents an increase of 9% over the existing rate that was set in 1993 and is comparable to rates charged in surrounding communities.			
No Access Charge	To all customers who do not keep a scheduled appointment for any EPCOR Water Service Inc. representative.	\$23.20	Jan 1, 1993	\$28.60
	EWSI notes that the work effort for a missed appointment is similar to that required for processing a Service Application. Although the cost to process orders and attend at the premises are similar, the charge for a missed appointment should recover all costs and reflect an incentive to dissuade the behaviour in the future. EWSI proposes a charge of \$28.60 to recover the actual cost.			

Name	Description	Current Rate	Date of Last Rate Change	Proposed Rate
Meter Test Charge	To all customers who request that their water meter be tested and the results of the test indicate that the meter is operating within prescribed standards. Up to 20mm Greater than 20mm	\$28.00 Actual Cost	Jan 1, 1993	Actual Cost for all meters
	EWSI has calculated the direct costs of attending at a customer's premises to change out a meter and to test the meter in its testing facility. EWSI proposes to recover its actual direct costs for this service if testing indicates that the meter is operating within prescribed standards. The charge is intended to discourage customers from requesting meter changes until all other potential causes of excess water use have been investigated. EWSI proposes that the actual cost of replacing and testing a meter be charged to the customer, regardless of meter size EWSI also notes that if the meter is in error, the charge is refunded to the customer.			
Hydrant Service Charge	To all customers who obtain water service through hydrants. Hydrant Application Fee Meter Service Charge – per month	\$23.20 \$31.75	July 1, 2001	\$28.60 \$50.00
	EWSI provides customers with two options for obtaining water where a ready supply is not available. Customers can obtain water from the six truck fill sites located throughout the City or from hydrants. The hydrant service charge relates to those instances when customers obtain water from fire hydrants. EWSI prefers that customers obtain water from the truck fill sites to minimize damage to the water distribution system, and turbidity complaints from customers. Once a customer has no further need for obtaining water from a hydrant, EWSI must attend at the hydrant and perform an inspection to ensure that it is ready and available for its intended use. As the work required to process a permit and perform the inspection is similar to the work required to process a service application, EWSI proposes to make the charge the same at \$28.60 to recover all costs. The monthly cost for the hydrant permit is calculated by taking into account the cost of maintaining the permits and preparing the billings as well as recovering the capital costs of the equipment on hand to provide this service. EWSI proposes a monthly fee of \$50.00 for hydrant permits, which represents an increase of 57%. The increase is due to improved cost tracking, an increase in the amount of equipment required to provide this service, and the increase in consumer prices as mentioned above.			
Immediate Connection Charge	To all customers who require a service connection in less than 48 hours.	\$46.40	Jan 1, 1993	\$57.20
	As the cost of providing this service could involve the payment of overtime at two times the current labour rate, EWSI proposes that the service charge equate to two times the cost for Customer Connections. A doubling of the charge will help to discourage customers from calling and requesting immediate connections. Lowest cost is promoted through the orderly and efficient scheduling of connections.			
Emergency Call Charge	To all customers who require a service outside of regular working hours.	\$46.40	Jan 1, 1993	\$57.20
	As the cost of providing this service could involve the payment of overtime at two times the current labour rate, EWSI proposes the emergency call charge to equate to two times the cost for Emergency Calls. A doubling of the charge will help to discourage customers from calling and requesting immediate service prior to investigating other alternatives. Lowest cost will be promoted through the orderly and efficient scheduling of all service calls.			

Attachment 3
Fire Protection Charge

Fire Protection Charge

Background

The City of Edmonton entered into a four-year Fire Hydrant Service Agreement with EWSI effective January 1, 2003 for the maintenance and operation of the fire hydrant infrastructure for the firefighting needs of the City of Edmonton in return for an annual payment of \$4.66 million. In December 2003, City Council approved to transfer the funding source of the Fire Hydrant Service Agreement from the tax levy to EWSI customers as a "Fire Protection Charge" to be blended into EWSI's water rates.

Inclusion of Fire Protection Charge in Fixed Monthly Service Charge

Section 1.2 of Schedule 3 of the Waterworks Bylaw sets out a formula for determining annual rate adjustments to EWSI's Fixed Monthly Service Charge which has two components: a routine adjustment component and a non-routine adjustment component.

The annual rate adjustment for the routine adjustment component is limited to a forecast rate of inflation reduced by an efficiency factor of 0.5% as an incentive to EWSI to improve its operational efficiency. The efficiency factor reduces the increase in rates to customers and represents the minimum amount by which EWSI must improve operational efficiency to maintain its net income.

The annual rate adjustment for the non-routine adjustment component is not subject to any type of incentive adjustment and is charged to customers based on actual costs incurred.

EWSI proposes to amend the annual rate adjustment formula in section 1.2 of Schedule 3 to include a third component consisting of the Fire Protection Charge. As with the non-routine adjustment component, the Fire Protection Charge component would not be subject to an inflation factor and would simply be recovered through water rates at its prescribed amount.

Impact on Water Rates

EWSI customers will see an additional increase in the Fixed Monthly Service Charge to accommodate the 'fire protection charge' component. Table 2 outlines the monthly charge by customer class based on the cost recovery of \$4.66 million per year associated with the Fire Protection Charge.

Table 2 – Fire Protection Charge

	Rate per Month
Residential Service	\$0.60
Multi-residential Service	\$8.65
Commercial Service	\$13.75

The Fire Protection Charge is determined based on a fixed monthly fee by customer class with an appropriate distribution of costs allocated based on a factor representing total land used by each of the three customer classes (residential, multi-residential and commercial) and their respective fire flow requirements.

Overall, the transfer of fire protection funding to water customers will increase in-city water rates as shown in Table 2 above.

Attachment 4

**Water Quality, Environmental and Safety Indices
Applicable to Schedule 3 of the Water Works Bylaw**

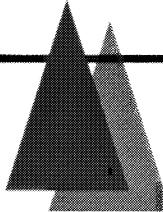


EPCOR
Water Services Inc.

Waterworks Bylaw

**Water Quality, Environmental
and Safety Indices**

**Applicable to Schedule 3
of the Water Works Bylaw**



EWSI Water Quality Index

EPCOR PBR Water Quality Index

Scope

The *Water Quality Index* is a summary of the percentage of the tests that EPCOR Water Services perform on drinking water quality in Edmonton that meet all regulatory requirements, and in addition, meet stricter internal operating objectives. Reported as % of tests meeting all objectives - e.g. 99.6%. This index provides a measure of overall water quality in the city as it is delivered to the customer, and provides reassurance that water quality consistently meets much stricter limits than regulatory approval requirements.

Index Calculation

The water quality tests included in this index are done only on treated drinking water samples. This includes samples from plant finished water reservoirs, field reservoirs across the city, and distribution system samples including complaint samples, random samples, regular firehall samples, and samples following mainbreak repairs.

Parameters listed specifically are the ones that vary the most, and/or are sampled most frequently. If listed specifically for this index, then these stricter limits take precedence over the Canadian Drinking Water Guideline limits (latest edition at http://www.hc-sc.gc.ca/ehp/ehd/catalogue/bch_pubs/summary.pdf), or limits specified in the current Edmonton Waterworks Alberta Environment Approval. If a violation is reported to Alberta Environment, but is later found after investigation, to be attributable to an internal customer problem, then that sample result will be removed from the index.

The tests are made up of approximately 5000 tests per month, with about 2,000 of those being chemical tests on plant reservoirs, 1,500 on chemical tests in the distribution system, 500 on plant reservoir bacteriological tests, and 1,000 on bacteriological tests in the distribution system.

History

We traditionally see around a dozen violations per year (most are localized samples which are most likely attributable to poor sampling, or are internal customer problems), and we see 100-150 variances per year (exceeding the stricter internal EPCOR limits). The internal EPCOR limits provide early warning of any problems that might be a concern with values approaching violation limits.

Multiple complaints for the same parameter (e.g. turbidity, colour, odour) on the same day from one incident such as a problem with flushing over a major area, or transmission main flows, will be counted as one incident on the water quality index.

Additional Index Input

Any violation of any regulated parameter other than those on this short Index list (as listed in the Canadian Drinking Water Guidelines or the Alberta Environment Approval) would be added as a violation to this Index result. If the Alberta Environment approval or the Canadian Drinking Water Guidelines changed to introduce a stricter limit for any parameter on this short list, then that new limit takes precedence over the list value.

Exclusions

The tests do not include any samples of raw water (river), upstream watershed, partially treated plant water, waste streams, bulk chemical tests, quality assurance tests, special project samples, water main construction project samples (before commissioning), any research testing, or any tests on external plant samples (outside of Edmonton). The numbers also do not include any results from EPCOR satellite plants (e.g. Canmore, Strathmore, etc). The index also does not include any data on environmental releases.

Water Quality Index Parameters and Limits

<u>Parameter</u>	<u>AENV Violation Limit</u>	<u>EPCOR Internal Limits</u>
Turbidity (NTU)	>0.3 (comb filter effluent) >1.0 (plant reservoir) >5.0 (distribution system)	>0.1 (comb filter effluent) >0.5 (plant reservoir) >1.0 (distribution system)
Chlorine residual (mg/L)	<0.5 >2.4	<1.0 (distribution system) >2.4
Colour (TCU)	>15	>10
pH	<7.0 and >8.5	<7.3 and >8.3
Aluminum (mg/L)	>0.1	>0.1
Iron (mg/L)	>0.3	>0.3
Pipe Lubricant (UV scan)	No limit	Any positive pipe lubricant
Fluoride (mg/L)	<0.7 and >0.9	<0.7 and >0.9
Particle Counts (per ml)	>200	>200 (plants reservoir)
Total Coliforms (cfu/100 ml)	Two consecutive positives	>0
E. Coli (cfu/100ml)	>0	>0
Trihalomethanes (ug/L)	>100	>50
<i>Giardia</i> (cysts/1000 litres)	No limit	>1
<i>Cryptosporidium</i> (oocysts/1000 litres)	No limit	>1

The Index also includes violations of any other parameter listed in the latest edition of the Canadian Drinking Water Guidelines, or in the current Alberta Environment Approval. These other parameters are listed on Appendix 1.

Appendix 1

Water Quality Index – Other Parameters

1,1,1-Trichloro-2-propanone	Chromium
1,1-Dichloro-2-propanone	Colour
1-Naphthol	Conductivity
2,4-D	Copper
2-Methyl Propanal	Cryptosporidium
3-Hydroxy Carbofuran	Cryptosporidium(1623)
3-Methyl Butanal	Cyanazine
Acetaldehyde	Desethyl Atrazine
Alcarb Sulfoxide	Desisopropyl Atrazine
Aldicarb	Diazinon
Aldicarb Sulfone	Dibromoacetic acid
Aldrin	Dibromoacetone
Aluminum	Dibromochloromethane
Aluminum (Diss)	Dicamba
Ammonia NH ₃	Dichloroacetic acid
AMPA	Dichloroacetone
Antimony	Dichlorobenzene 1,2-
Arsenic	Dichlorobenzene 1,4-
Atrazine	Dichloroethane 1,2-
Azinphos-methyl	Dichloroethylene 1,1-
Barium	Dichloroethylene, Cis 1,2-
Bendiocarb	Dichloroethylene, trans 1,2-
Benzaldehyde	Dichloromethane
Benzene	Dichlorophenol,2,4-
Benzo(a)pyrene	Dichloropropane 1,2-
Bromate	Diclofop-methyl
Bromide	Dieldrin
Bromoacetic acid	Dimethoate
Bromochloroacetic acid	Diuron
Bromochloroacetone	E.coli
Bromodichloroacetic Acid	Ethylbenzene
Bromodichloromethane	Fecal Coliforms
Bromoform	Fluoride
Bromoxynil	Formaldehyde
Butanal	FPA-Descriptor
Cadmium	FPA-Intensity
Calcium	Free Chlorine
Calcium Hardness	Giardia
Carbaryl	Giardia (1623)
Carbofuran	Glyoxal
Carbon Tetrachloride	Glyphosate
Cesium-137	Gross Alpha
Chloral Hydrate	Gross Beta
Chloride	Heptanal
Chlorobenzene	Hexanal
Chlorodibromoacetic Acid	HPC
Chloroform	HPC(25C-7d)
Chloropicrin	Iodine-131
Chlorpyrifos	Iron

EPCOR Water Services

Quality Assurance

Lead	Total Alkalinity
Lindane	Total Coliforms
Magnesium	Total Dissolved Solids(Calc)
Malathion	Total Haloacetic Acids
Manganese	Total Haloacetonitriles
MCPP	Total Haloketones
Meter_Turbidity	Total Hardness
Methiocarb	Total Organic Carbon
Methomyl	Total Residual Chlorine
Methoxychlor	Total Suspended Solids
Methy Glyoxal	Total Volatile Organics(NonTHM)
Metolachlor	Total Volatile Organics(Unknown)
Metribuzin	Triallate
Microbial Identification	Tribromoacetic Acid
Microscopic Exam	Trichloroacetic acid
Microscopic Observation	Trichloroacetonitrile
Microtox	Trichlorobenzene 1,2,4-
Monochloroacetic acid	Trichloroethane 1,1,1-
MTBE	Trichloroethylene
Nitrate(as N)	Trichlorophenol,2,4,6-
Nitrilotriacetic acid	Trifluralin
Nitrite(as N)	Trihalomethanes
Nonanal	Tritium
Observation	TTHM(0d)
Octanal	TTHM(7d)
Odour	Turbidity
Oxamyl	UV Abs
P Alkalinity	UV/VIS scan
Parathion	UV254 %Transmittance
Pentachlorophenol	Vinyl Chloride
Pentanal	Xylene 1,2-
pH	Xylene 1,4-
Phorate	Zinc
Picloram	
Pipe Lubricant	
Potassium	
Propanal	
Propoxur	
Radium-226	
Selenium	
Silicon	
Sodium	
Strontium-90	
Sulphate	
TC Background Count	
Terbufos	
Tetrachloroethane 1,1,2,2-	
Tetrachloroethylene	
Tetrachlorophenol,2,3,4,6-	
THMFP	
Toluene	
Total Aldehydes	

EWSI

Environmental Index

EPCOk PBR Environmental Performance Index

Target		Benchmark	Scoring System *	Relevant Documentation
Competency and Training Emergency Response Training	Conduct three Emergency Response Training exercises having an environmental component for each calendar year	Historical 1998 : 3 Exercises 1999 : 3 Exercises 2000 : 3 Exercises 2001 : 3 Exercises	28.5 points for 3 Exercises Formula= $28.5 \times (Ta / Tt)$ Where: Ta= Actual number of exercises completed (partial exercise completion possible) Tt= Target number of exercises to be completed To a maximum of 34.2 points (for having more than 3 exercises)	Related Documentation Rossdale and E.L.Smith Water Treatment Plants and McCauley Waterworks Emergency Site Plans, Section 8 (Training) Documentation Required Exercise plans submitted to Emergency Planning Coordinator(s); exercise debriefing documents.
	Emergency Response Training shall be as defined in Rossdale and E.L.Smith Water Treatment Plants and McCauley Waterworks Emergency Site Plans, Section 8 (Training);			
Monitoring and Regulatory Compliance Completeness and Timeliness of Reporting	All 'compliance' reports submitted on time and complete for each calendar year. Compliance reports shall consist of the following 29 reports:	Historical 1998 : 100% target achieved 1999 : 100% target achieved 2000 : 100% target achieved 2001 : 100% target achieved	28.5 points for 100% achievement in meeting report submission deadlines and complete report submissions Formula= $14.25 \times (Rn / Rt) + 14.25 \times (Rc / Rt)$ Where: Rn= Actual number of reports submitted on time Rc= Actual number of reports complete with respect to required content (partial completion possible) Rt= Target (required) number of (complete) reports to be submitted To a maximum of 28.5 points	Documentation Required Monthly Edmonton Water Treatment Plants reports including covering letters of submission to Alberta Environment; annual Edmonton Water Treatment Plants report including covering letter of submission to Alberta Environment; Environment Canada National Pollutant Release Inventory annual Statement of Certification and annual Water Diversion Report Formal notification correspondence received from regulator citing failure to submit required report or incomplete submission.
	<ul style="list-style-type: none"> 12 monthly Provincial Environmental Protection and Enhancement Act reports 1 annual Provincial Environmental Protection and Enhancement Act report 2 federal Environmental Protection Act, National Pollutant Release Inventory annual submissions 1 annual and 12 monthly Water Diversion Reports Reports must be sent to regulator on or before the Regulators timetable for filing. Reports are considered complete if the related regulator has not sent EPCOR correspondence citing failure to submit required report or an incomplete submission.			

Environmental Impact Reduction/Continual Improvement			Documentation Required
Prevention Environment Incident Management	Historical	28.5 points for having zero reportable incidents failing to meet criteria	
Reportable incidents requiring formal written reports to provincial or federal regulators will demonstrate that they have met the following criteria: 1) follow documented procedures or appropriate controls (i.e. root cause not failure to follow procedure or have controls in place, response managed ineffectively at time of incident or discovery); 2) notify or report in a timely manner (i.e. notify upon discovery; as required by regulation; follow-up '7 day' letter if required; etc. reference various regulatory requirements); 3) is not the reoccurrence of similar reportable incident due to EWS not performing corrective action as identified in the previous calendar year) note an incident is considered reportable as defined under federal, provincial or municipal regulations/bylaws	<p>Historical</p> <p>1998 : zero incidents failing to meet criteria</p> <p>1999 : zero incidents failing to meet criteria</p> <p>2000 : zero incidents failing to meet criteria</p> <p>2001 : zero incidents failing to meet criteria</p>	<p>28.5 points for having zero reportable incidents failing to meet criteria</p> <p>Formula= 28.5 - Ia x 7.125</p> <p>Where:</p> <p>Ia= Number of reportable environmental incidents failing to meet one of the incident management criteria</p> <p>To a maximum of 28.5 points</p>	<p>Documentation Required</p> <p>EPCOR Water Services</p> <p>Accident/Incident database records; applicable operating or maintenance procedures; applicable incident response procedures; accident/incident review and follow-up records.</p>
System Efficiency	<p>Historical</p> <p>1998 : 546.1 kWh</p> <p>1999 : 549.0 kWh</p> <p>2000 : 546.3 kWh</p> <p>2001 : 539.0 kWh</p> <p>Planned UV facilities are expected to add 12 kWh per ML of treated water volume in 2002 and another 11 kWh per ML of treated water volume in 2003.</p> <p>Energy Efficiency is defined as Total kWh divided by Total Treated Water</p> <p>Where Total kWh is defined as the total kWh of energy used at the EL Smith and Rosedale Treatment Plants in Edmonton as per the utility bills. This excludes energy used at the reservoirs and pumping stations.</p> <p>Total Treated Water volume as reported by the EPCOR Manager of Plant Operations.</p>	<p>28.5 points for having an annual energy efficiency of 550 kWh per ML in 2002 and 561 kWh per ML of treated water volume for 2003.</p> <p>Formula= 28.5 - ((Ea - Et) x 0.50 per kWh/ML)</p> <p>To a maximum of 34.2 points</p> <p>Where:</p> <p>Ea= Actual Energy Efficiency in kWh per ML</p> <p>Et= 550 kWh per ML for 2002</p> <p>Et= 561 kWh per ML for 2003 and beyond</p>	<p>Documentation Required</p> <p>Plant operating statistics database(s).</p> <p>Utility Bills</p>
TOTAL EPI		114 POINTS	
* Note total points can not exceed 125.4 (110% Base points). Each individual measure is rounded to the nearest one tenth of a point.			

EWSI PBR Safety Index

EPCOR BR Safety Performance Index

Target		Benchmark	Scoring System *	Relevant Documentation
Leadership and Administration				
Safety Meetings	36 Safety Meetings should be conducted each calendar year to provide an effective tool for communication, implementation and feedback on Occupational Health and Safety issues. Requirements of Safety Meetings are defined in EPCOR Safety Program Element 1.4	Historical 1999-36 meetings 2000-36 meetings 2001-36 meetings	12 Points for 36 meetings Formula = 12 X AM/TM Where: AM= Actual # of meetings per year TM= Target Meetings of 36 per year To a maximum of 12 points	Related Documentation Occupational Health and Safety Act, Chapter 0-2, Section 25. EPCOR Safety Program Element 1.4 Partnership Requirement Element #8 Program Administration Documentation Required Meeting minutes
Hazard Management				
Formal Safe Work Plans (SWP)	Completion of 906 Formal Safe Work Plans each calendar year to Identify, Control and Communicate Hazards. Requirements of Formal SWP are defined in EPCOR Safety Program Element 2.2	Historical 1999-417 2000-914 2001-914	29 points for 906 SWP. Formula = 29 X AS/TSM Where: AS= Actual SWP TS= Target SWP of 906 To a maximum of 29 points	Related Documentation Occupational Health and Safety Regulation Part 4 Section 12 EPCOR Safety Program Element 2.2 Partnership Requirement, Element #2 and #3 Documentation Required Completed SWP Forms
Competency and Training				
First Aid Training	To ensure that emergency first aid is available for ill or injured employees and other persons when they are on our sites, 33% of permanent employees as of December 31 of each calendar year must have a valid Standard First Aid Certificate.	Historical 1998-33 % 1999-33 % 2000-33 %	22 points for 33% Formula = 22 points for 33 %. To maximum of 22 points. If less than 33 %, 22 points less one point for every one percent below 33 %	Related Documentation Occupational Health and Safety Act First Aid Regulation, Section 12(1) EPCOR Safety Program Element 5.2 Partnership Element # 6 Documentation Required Training records

Monitor and Promotion				
Work Site Inspections/Observations	Inspections/ observations is one of the best tools available to find problems and assess accidents before other losses occur. EPCOR shall perform 500 inspections per calendar year. Inspection/observation procedures are as defined on the Work Site Inspection Report and Office Work Site Inspection Reports.	Historical 1999-300 2000-490 2001-548	22 points for 500 Inspections/observations Formula = 22 X AS/TSM Where: AS= Actual Inspections/observations per year TS= Target of 500 Inspections/Observations Per year To maximum of 22 points.	Related Documentation EPCOR Safety Program Element 3.2 Occupational Health and Safety Act #20 Partnership Element #4 Documentation Required Work Site Inspection Report or Office Work Site Inspection Reports.
Results Based Outcomes				
Lost Time Frequency Rate	One of the measures of effectiveness of a safety program is the frequency of injury rate per unit of exposure (Lost Time Frequency Rate). It is calculated using the following formula as defined in the Canadian Electrical Association Work Injury / Illness Experience Standards: ((Number of Disability Injuries and Illnesses) X 200,000) / Exposure Hours The target for this measure is 0.51	EWS Historical 1999 – 0.60 2000 – 0.60 2001 – 0.33 Other Benchmarks City of Edmonton 2001-0.78 American Water Industry 2000=2.9 Canadian Electricity Association Companies 10,000-2001 Composite rate 1.32	6 points for 0.51 Formula = 6 X TF/AF Where: TF= Target Frequency Rate of 0.51 AF= Actual Lost Time Frequency Rate To maximum of 9 points.	Related Documentation Occupational Health and Safety Act National Safety Council Canadian Electrical Association Documentation Required Calculations and support for number of disability injuries and illnesses and exposure hours.

All Injury Frequency Rate	<p>Industry practice is to measure the frequency of disabling injuries and medical aid injuries per unit of exposure, or All Injury Frequency Rate.</p> <p>It is calculated using the following formula as defined in the Canadian Electrical Association Work Injury / Illness Experience Standards:</p> <p>((Number of Disability Injuries + Number of Medical Aid Injuries) X 200,000) / Exposure Hours</p>	<p>Historical 1999 – 2.47 2000 – 2.47 2001 – 2.22</p> <p>Other Benchmarks City of Edmonton 3.91 American Water Industry 2000=7.5 Canadian Electricity Association Companies 10,000-2001 Composite rate of 15 companies 4.60</p>	<p>12 points for 2.38</p> <p>Formula =</p> $12 \times \frac{\text{TAI}}{\text{AAI}}$ <p>Where: TAI= Target All Injury Frequency of 2.38 AAI= Actual All Injury Frequency</p> <p>To a maximum of 16 points</p>	<p>Related Documentation</p> <p>Occupational Health and Safety Act National Safety Council Canadian Electrical Association</p> <p>Documentation required</p> <p>Calculations and support for disability injuries and medical aid injuries and exposure hours</p>
Injury Severity Rate	<p>The target for this measure is 2.38</p> <p>Industry practice is to measure seriousness of an injury or illness. By comparing the number of disability days to the number of employee exposure hours in a calendar year.</p> <p>It is calculated using the following formula as defined in the Canadian Electrical Association Work Injury / Illness Experience Standards:</p> <p>((Number of Calendar Days Lost + Number of Scheduled Days Charged) X 200,000) / Exposure Hours</p>	<p>Historical 1999 – 9.13 2000 – 9.13 2001 – 8.22</p> <p>Other Benchmarks City of Edmonton 9.93 Canadian Electricity Association Companies 10,000-2001 Composite rate 99.76</p>	<p>12 points for 8.83</p> <p>Formula =</p> $12 \times \frac{\text{TSR}}{\text{ASR}}$ <p>Where: TSR= Target Severity Rate of 8.83 ASR= Actual Severity Rate</p> <p>To a maximum of 16 points</p>	<p>Related Documentation</p> <p>Occupational Health and Safety Act National Safety Council Canadian Electrical Association</p> <p>Documentation required</p> <p>Calculations and support for number of calendar days lost, number of scheduled days charged and exposure hours.</p>
Total Safety Index	The target for this measure is 8.83		115 POINTS	
* Achieving target performance will result in 115 points, and exceeding target performance will yield a maximum of 126 points. Each individual measure is rounded to the nearest one tenth of a point.				

Attachment 5

Water Rates Comparison with Surrounding Communities and Other Regions

Rates Comparison with Surrounding Communities and Other Regions

Water Rates Comparisons

The following comparisons are based on the published water rates of the referenced utilities. The 2004 rates for EWSI reflect the impact of a projected 2% increase in CPI, the increase in the Franchise Fee, the inclusion of the Fire Protection Charge, and are provided for illustrative purposes only. EWSI's 2004 rates will not be determined until the time of EWSI's annual rate filing which will be provided to the City Manager on or about March 1, 2004.

The rate comparisons are based on the total cost to the customer and include fixed charges, consumption charges and any surcharges. However, the rates do not include GST. Water rates may vary and not be directly comparable due to factors such as raw water quality, the level of water treatment required and the associated costs, the level of any applicable franchise fees and the age of the waterworks system infrastructure.

EWSI's water rates are compared to those of Calgary, the Alberta Capital Region, Vancouver and Winnipeg. A representative selection of communities surrounding Edmonton including St. Albert, Fort Saskatchewan, the County of Strathcona and the City of Leduc comprise the Alberta Capital Region category.

The residential water bill comparisons are based upon a consumption of 20 m³ per month. This is representative of the average monthly consumption of an EWSI residential customer. Comparisons are not made for the multi-residential customer class because many jurisdictions do not have a similar rate class. Comparisons are made for three sizes of commercial customers:

- A small commercial business is based on 325 m³ of monthly consumption and is representative of a typical restaurant.
- A medium commercial business is based on 6,000 m³ of water use per month and is intended to represent a hotel or large shopping centre.
- A large commercial customer using 20,000 m³ of monthly consumption is representative of a large scale commercial or industrial enterprise.

Table 3 – Water Rate Comparisons

	Average Monthly Water Bill (\$ / Month)			
	Residential (20 m ³ / month)	Small Commercial (325 m ³ / month)	Medium Commercial (6,000 m ³ / month)	Large Commercial (20,000 m ³ / month)
EPCOR Water – 2003	\$ 26.29	\$ 247.67	\$ 3,580.45	\$ 10,153.45
EPCOR Water – 2004*	\$ 27.40	\$ 266.51	\$ 3,667.45	\$ 10,375.44
Calgary – 2003	\$ 26.67	\$ 264.35	\$ 2,916.05	\$ 9,175.45
Calgary – 2004**	\$ 27.95	\$ 277.04	\$ 3,056.22	\$ 9,616.62
Alberta Capital Region - 2003	\$ 23.26	\$ 290.10	\$ 5,324.85	\$ 17,522.83
Vancouver – 2003	\$ 22.58	\$ 150.48	\$ 2,778.00	\$ 9,260.00
Winnipeg – 2003	\$ 23.46	\$ 279.92	\$ 3,966.87	\$ 12,817.54

* For illustration purposes, EPCOR Water's 2004 rates reflect an estimated increase in CPI of 2% and includes the impact of the Fire Protection Charge and increased franchise fees. Once the actual increase in CPI is known, these rates could change.

** The 2004 rates for Calgary also include the costs for the Fire Protection infrastructure.

Service Charges Comparisons

The following comparisons are based on a survey of service charges for Edmonton, surrounding communities and other regions:

Table 4 – Service Charges

Municipality	Service Application Charge	No Access Charge	Meter Test Charge (up to 20mm)	Emergency Call Charge	Immediate Call Charge
EPCOR Water	\$25.20	\$28.60 per missed appt	Actual Cost	\$57.20	\$57.20
Calgary	\$10.00	<40mm \$42/call >40mm \$80/call	Field test \$85 Shop test \$130	not applicable	not applicable
Sherwood Park / Strathcona County	\$10.00	no charge	\$30.00	\$25 reg hours \$75 after hours	\$10.00
St. Albert	\$25.00	no charge	\$75.00	\$75.00	\$35 reg hours \$75 after hours
Vancouver	no charge	no charge	\$110.00	\$50 reg hours \$200 after hours	\$50 reg hours \$200 after hours

Approved as to Form
Law Branch

Approved as to Content
President, EPCOR Water
Services Inc.
Allan Davies

THE CITY OF EDMONTON

BYLAW 13636

EPCOR WATERWORKS AMENDMENT BYLAW

Whereas the Tariff of EPCOR Water Services Inc. (“EWSI”) is regulated by Edmonton City Council pursuant to the *EPCOR Rates Procedures Bylaw 12294* and the *Waterworks Bylaw 12585* under a four year Performance Based Regulation Plan which came into effect on April 1, 2003;

And Whereas it is in the interest of Edmontonians that the *Waterworks Bylaw 12585* be amended as provided for in this Bylaw;

Edmonton City Council enacts:

PART I - PURPOSE, DEFINITIONS AND INTERPRETATION

PURPOSE

- 1 The purpose of this bylaw is to:
- (a) with respect to Schedule 1 of Bylaw 12585:
 - (i) amend Part I to adjust the Consumption Charge for Residential, Multi-residential and Commercial Service to reflect an increase in fees paid by EWSI to the City of Edmonton under the Franchise Agreement; and
 - (ii) amend Part III to adjust certain Service Charges to reflect EWSI’s assessment of the current costs of providing those services and to remove the reference to Hydrant Flow Tests.

- (b) with respect to Schedule 3 of Bylaw 12585:
 - (i) amend section 1.2 to incorporate into the annual rate adjustment for the Fixed Monthly Service Charge, the transfer of funding associated with the Fire Protection Charge from the tax levy to EWSI's Rates;
 - (ii) amend section 2.1 to reflect a change in the applicable Statistics Canada publication;
 - (iii) amend section 3.0 to make specific reference to the document entitled "Water Quality, Environmental and Safety Indices Applicable to Schedule 3 of the Water Works Bylaw";
 - (iv) amend section 3.0 to revise the measurement criteria used in relation to the Water Main Break Repair Duration Factor.

DEFINITIONS

2

In this Bylaw, unless the context otherwise requires:

- (a) **"Bylaw 12294"** means the *EPCOR Rates Procedures Bylaw 12294*, as amended;
- (b) **"Bylaw 12585"** means the *Waterworks Bylaw 12585*, as amended;
- (c) **"City Manager"** means the chief Administrative Officer of the City or his delegate.
- (d) **"Customer"** means any person who has applied for an account or service connection, has received any other water services or is otherwise responsible for paying EPCOR Water.
- (e) **"EWSI"** and **"EPCOR Water"** mean EPCOR Water Services Inc.;
- (f) **"Fire Protection Charge"** means, for a calendar year, the amount to be recovered by EWSI as a Fire Protection Charge under this Bylaw as provided for in the Fire Hydrant Service Agreement dated January 1, 2003, as may be amended from time to time, between the City of Edmonton and EWSI;
- (g) **"Franchise Agreement"** means a Franchise Amending Agreement between EPCOR Water and the City of Edmonton, dated January 1, 2004, including all

amendments or replacements thereto;

- (h) **“Performance Based Regulation Plan”** means the Performance Based Regulation Plan approved by City Council pursuant to Bylaw 12585 for EWSI for the period from April 1, 2003 to March 31, 2007, more particularly described in Schedule 3 to Bylaw 12585;
- (i) **“Price Schedule”** means at any particular time EPCOR Water’s Price Schedule approved by the Regulator and in effect at the time;
- (j) **“Rates”** means the rates and charges applicable to any utility service provided by EPCOR Water within the City of Edmonton which the City has authority to approve;
- (k) **“Rate Sheets”** means the Price Schedule for a given year in the form of Schedule 3, filed with the City Manager; and
- (l) **“Water Services”** includes but is not limited to the production, treatment and supply of potable water delivered in accordance with the provisions of the Franchise Agreement to a Customer and the use of physical plant, equipment, apparatus, appliances, property and facilities owned or employed by EPCOR Water or used in connection with EPCOR Water in providing the supply of potable water to the property of any Customer.

**RULES FOR
INTERPRETATION**

3 The marginal notes and headings in this bylaw are for reference purposes only.

PART II - GENERAL

**INCREASE TO
FRANCHISE FEE**

4 Pages 6, 7 and 8 of Part I of Schedule 1 of Bylaw 12585 are repealed and are replaced by the Rate Sheets included in Attachment 1 to this Bylaw.

**REVISIONS TO
SERVICE CHARGES**

5 Part III of Schedule 1 of Bylaw 12585 is amended as provided for in Attachment 2 to this Bylaw.

**FIRE PROTECTION
CHARGE**

6 Section 1.2 of Schedule 3 of Bylaw 12585 is amended as provided for in Attachment 3 to this Bylaw.

**STATISTICS
CANADA
PUBLICATION**

7 Section 2.1 of Schedule 3 of Bylaw 12585 is amended as provided for in Attachment 4 to this Bylaw.

**PERFORMANCE
INDICES AND MAIN
BREAK REPAIR
DURATION
FACTOR**

8

Section 3.0 of Schedule 3 of Bylaw 12585 is amended as provided for in Attachment 5 to this Bylaw.

EFFECTIVE DATE

9

This bylaw will become effective April 1, 2004.

ATTACHMENTS

10

The following Attachments are included in, and form part of this Bylaw:

Attachment 1 – Revised Consumption Charge Rate Sheets

Attachment 2 – Revised Service Charges

Attachment 3 – Fire Protection Charge

Attachment 4 – Statistics Canada Publication

Attachment 5 – Performance Indices and Main Break Repair
Duration Factor

Read a first time

Read a second time

Read a third time

SIGNED AND PASSED

THE CITY OF EDMONTON

MAYOR

CITY CLERK

ATTACHMENT 1

REVISED CONSUMPTION CHARGE RATE SHEETS

Part I – Water Rates

Residential Service

Applicable	To all domestic service customers within the City of Edmonton municipal boundaries.				
	<p>A domestic service is defined as a service where:</p> <ul style="list-style-type: none"> a) the service is supplied to a premise that is used primarily for domestic purposes, b) there are no more than four single family dwelling units metered by a single water meter; and, c) the service line to the dwelling is not greater than 50 millimeters in size. <p>Where a business is conducted from a dwelling, the residential water service rate shall apply as long as the definition of a residential service continues to be met.</p> <p>Where a business is conducted from a dwelling and that portion of the dwelling is separately metered, then a commercial service rate will apply to that portion.</p> <p>All sections of this bylaw apply to these rates and this customer class.</p>				
Rate	<p>Fixed Monthly Service Charge See Fixed Monthly Service Charges</p> <p>Consumption Charge</p> <table> <tr> <td>0 m³ – 60 m³</td><td>\$ 1.1121 per m³</td></tr> <tr> <td>Over 60 m³</td><td>\$ 1.1494 per m³</td></tr> </table>	0 m ³ – 60 m ³	\$ 1.1121 per m ³	Over 60 m ³	\$ 1.1494 per m ³
0 m ³ – 60 m ³	\$ 1.1121 per m ³				
Over 60 m ³	\$ 1.1494 per m ³				
Effective Dates	<p>These rates are effective from April 1, 2004 to March 31, 2005. These rates do not reflect any adjustments for the period April 1, 2004 to March 31, 2005 as provided in section 7 of this bylaw. Prior to implementation, these rates are subject to adjustment for the period April 1, 2004 to March 31, 2005 under section 7 of this bylaw. These rates are subject to adjustment in 2005 and future years under the terms of this bylaw.</p>				

Part I – Water Rates

Multi-Residential Service

Applicable

To all multi-residential service customers within the City of Edmonton municipal boundaries.

A multi-residential service is defined as a service where:

- a) the service is supplied to a premise that is used primarily for domestic purposes; and,
- b) there are more than four single family dwelling units metered by a single water meter.

Where a business is conducted from a dwelling, the multi-residential water service rate shall apply as long as the definition of a multi-residential service continues to be met.

Where a business is conducted from a dwelling and that portion of the dwelling is separately metered, then a commercial service rate will apply to that portion.

Where a multi-residence also contains businesses that are not separately metered, then the rate classification that applies to the single meter will be determined by the majority of water used.

All sections of this bylaw apply to these rates and this customer class.

Rate

Fixed Monthly Service Charge

See Fixed Monthly Service Charges

Consumption Charge

0 m ³ – 100 m ³	\$ 1.0151 per m ³
100.1 m ³ – 1000 m ³	\$ 0.8493 per m ³
Over 1000 m ³	\$ 0.7018 per m ³

Effective Dates

These rates are effective from April 1, 2004 to March 31, 2005. These rates do not reflect any adjustments for the period April 1, 2004 to March 31, 2005 as provided in section 7 of this bylaw. Prior to implementation, these rates are subject to adjustment for the period April 1, 2004 to March 31, 2005 under section 7 of this bylaw. These rates are subject to adjustment in 2005 and future years under the terms of this bylaw.

Part I – Water Rates

Commercial Service

Applicable To all commercial, industrial and institutional customers within the City of Edmonton municipal boundaries.

To all customers not otherwise defined as residential, multi-residential or water tap customers.

All sections of this bylaw apply to these rates and this customer class.

Rate **Fixed Monthly Service Charge**
See Fixed Monthly Service Charges

Consumption Charge

0 m ³ – 100 m ³	\$ 0.7961 per m ³
100.1 m ³ – 1000 m ³	\$ 0.7345 per m ³
1000.1 m ³ – 5000 m ³	\$ 0.5810 per m ³
Over 5000 m ³	\$ 0.4679 per m ³

Effective Dates These rates are effective April 1, 2004 to March 31, 2005. These rates do not reflect any adjustments for the period April 1, 2004 to March 31, 2005 as provided in section 7 of this bylaw. Prior to implementation, these rates are subject to adjustment for the period April 1, 2004 to March 31, 2005 under section 7 of this bylaw. These rates are subject to adjustment in 2005 and future years under the terms of this bylaw.

ATTACHMENT 2

REVISED SERVICE CHARGES

REVISED SERVICE CHARGES

Part III of Schedule 1 of Bylaw 12585 is amended:

- (a) by replacing the Rate for each Service Charge shown in the following table with the corresponding Revised Rate shown in the table:

Service Charge	Revised Rate
Service Application Charge	\$25.20
No Access Charge	\$28.60
Meter Test Charge	Actual cost for all meters
Hydrant Service Charge	
• Hydrant Application Fee	\$28.60
• Meter Service Charge	\$50.00 per month
Immediate Connection Charge	\$57.20
Emergency Call Charge	\$57.20

- (b) by removing the Hydrant Flow Test as a Service Charge.

ATTACHMENT 3

FIRE PROTECTION CHARGE

FIRE PROTECTION CHARGE

Section 1.2 of Schedule 3 of Bylaw 12585 is amended as follows:

- (a) The formula shown at the bottom of page 1 of 11 of Schedule 3 is amended to read:

$$R_p \times (1 + I_D) \times (1 + I_F - 0.5\%) + Z + AA$$

- (b) The definitions of the terms “I_F” and “Z” on page 2 of 11 of Schedule 3 are repealed and replaced with the following:

I_F means the forecast rate for that calendar year;

Z means a non-routine adjustment of costs that are not subject to the incentive mechanism; and

AA means a charge by customer class of water service to provide for the recovery by EPCOR Water of the Fire Protection Charge as follows:

Customer Class	Monthly Fire Protection Charge
Residential	\$0.60
Multi-residential	\$8.65
Commercial	\$13.75

ATTACHMENT 4

STATISTICS CANADA PUBLICATION

STATISTICS CANADA PUBLICATION

The second sentence in the second paragraph under section 2.1 of Schedule 3 of Bylaw 12585 is repealed and replaced with the following:

This measure is identified as Consumer Price Index (CPI): Statistics Canada Series V738721 – CPI, 1996 Classification, 1992=100, Alberta, All Items, and any publication issued by Statistics Canada which replaces, supersedes or otherwise revises this measure.

ATTACHMENT 5

PERFORMANCE INDICES AND MAIN BREAK REPAIR DURATION FACTOR

**PERFORMANCE INDICES AND
MAIN BREAK REPAIR DURATION FACTOR**

The first paragraph under the heading “3.0 Water System Service Quality” of Schedule 3 of Bylaw 12585 is repealed and replaced by the following:

Water System Service Quality is measured by the results of five indices described in this Section 3.0 and the document entitled “Water Quality, Environmental and Safety Indices Applicable to Schedule 3 of the Water Works Bylaw”, as that document may be revised from time to time by agreement between the City Manager and EPCOR Water.

Performance under each index is measured independently on a point basis with 100 base points available if the standards in all five areas are achieved. Each index can collect up to 10% additional bonus points for performance above the standard.

The definition of the term “MR_C” in section 3.1.2 of Schedule 3 of Bylaw 12585 is repealed and replaced by the following:

MR_C means the actual times that EPCOR Water repairs water main breaks within 24 hours from the time the flow of water is shut off (i.e. the time of customer interruption) as a percentage of total water main breaks with customer interruption that are confirmed by EPCOR Water annually.