



Appendix B

EPCOR WATER SERVICES

Utility Committee Motions and Directives

May 31, 2024

APPENDIX B UTILITY COMMITTEE MOTIONS AND DIRECTIVES

1.0 UTILITY COMMITTEE MOTIONS

1. On July 9, 2021, the Utility Committee passed the following motion regarding the upcoming PBR Applications:

“That Administration work with EPCOR to bring forward reports prior to the next Performance Based Rates term for Drainage Services and Wastewater Treatment effective April 1, 2025, providing further background and the appropriate regulatory treatment for the following items:

- 1. Improved disclosure of changes in accounting and capitalization policies and treatment;*
- 2. Reporting the size of the workforce including actual and forecast full-time equivalents;*
- 3. A review of how long-term debt interest rates are set for EPCOR Water Services Inc.;*
- 4. A review of the performance measures to ensure they are increasingly stringent and challenging over time; and*
- 5. A review of the deferral account and other adjustment mechanisms to deal with variations in usage.”*

2. EWS complied with the following two items from the above motion as presented to the Utility Committee on November 04, 2022:

- Improved disclosure of changes in accounting and capitalization policies and treatment; and*
- A review of how long-term debt interest rates are set for EPCOR Water Services Inc.*

3. There were no changes to the accounting and capitalization policies during the 2022-2024 PBR term and as a result, additional disclosure was not required. Section 4.1 of the Application describes the changes to the capital overhead methodology proposed for the 2025-2027 PBR Application. Section 4.3.2 of the Application describes the process of establishing the cost of new long-term debt.

4. In addition, on November 04, 2022, EWS presented its recommendation to include headcount information in future PBR Applications to comply with the third item from the motion issued on July 9, 2021.

5. On November 04, 2022, Utility Committee passed the following subsequent motion to report the size of EWS' workforce:

“That Administration work with EPCOR Water Services Inc. to include the size of the workforce including actual and forecast full-time equivalents (FTEs) in its future Performance Based Rates (PBR) applications.”

6. EWS confirms that the 2025-2027 Wastewater PBR Application has been submitted to the City in compliance with the motion issued on November 04, 2022.

7. On May 06, 2024, EWS presented its recommendation to comply with the following two final items from the motion issued on July 9, 2021:

- *“A review of the performance measures to ensure they are increasingly stringent and challenging over time”.*
- *“A review of the deferral account and other adjustment mechanisms to deal with variations in usage.”*

8. EWS further confirms that the 2025-2027 Wastewater PBR Application has been submitted to the City in compliance with the motion issued on May 06, 2024.