



Appendix H

EPCOR WATER SERVICES

Stakeholder Engagement Report

May 31, 2024

1.0 STAKEHOLDER ENGAGEMENT REPORT

1. As required by the regulatory process for PBR applications, EPCOR Water Services (EWS) provided Utility Committee with a public awareness and engagement plan consistent with the City's public engagement policy and carried out activities consistent with the plan. This document outlines the principles and processes EPCOR follows when engaging with the public and community members, and the results of such engagement.

1.1 Overall Public Engagement Approach

2. EWS believes in listening to and engaging with the community. We demonstrate social responsibility by building and sustaining relationships through effective consultation. Our consultation process ensures that community members have opportunities to provide meaningful input into projects and operations that affect them. Our resulting decisions and actions are guided by our understanding of their interests, priorities and values.

3. Due to the complexity of the PBR process, the engagement focuses on understanding the public's values and policy preferences at a high level. Concepts are presented using non-technical language to help ensure meaningful input.

1.2 Objectives for Public Engagement

4. Through the public engagement process for the PBR Application, EWS' objectives are to:
- Have public and community input inform policy choices, priority-setting for operations and capital programs, performance measurement and rate design;
 - Provide the public with opportunities to ask questions, express concerns and raise issues with respect to the PBR renewal and their utility services;
 - Maintain positive and productive relationships with key audience and community members throughout the development and implementation of the PBR application; and
 - Report on how community feedback was used in the PBR application.
5. In addition, public engagement activities help inform communications and campaigns to educate customers on the wastewater collection and treatment utilities.

1.3 Key Audience Overview

6. The primary audiences for engagement are wastewater collection (sanitary/stormwater drainage) and wastewater treatment utility customers within the City of Edmonton. They include:

- Residential and multi-residential customers
- Commercial customers, with an emphasis on:
 - large stormwater/wastewater customers, such as schools; food service, production & processors; the City of Edmonton (sports, parks & recreation); hospitals; the University of Alberta; and
 - overstrength commercial customers (customers who send specific compounds that are above defined concentrations into the wastewater collection system as part of their commercial processes, e.g. car washes, hair salons, etc.)
- Stormwater customers who sit on a large site and may have a sizeable stormwater utility charge (cemeteries, golf courses, rugby clubs, farms, etc.)
- Developers and property managers
- The Gold Bar community, and communities surrounding the Gold Bar Wastewater Treatment Plant

1.4 Topics for Public Input

7. The PBR application includes a series of policy, program and rate recommendations related to building, operating and maintaining wastewater collection and treatment systems and services. The public engagement process identifies public and customer values and preferences for the utility services they receive and weighs the benefits of the proposed utility programs against the impacts and costs.

2.0 SURVEY RESULTS

8. Earlier in 2024, EWS engaged the services of a third-party research company, Stone-Olafson, to provide assistance in conducting residential and commercial customer surveys to help inform the PBR Application. During March 2024, Stone-Olafson, conducted an online survey of Edmonton residents based on age, gender, and macro area. In addition, a live link to the survey was posted on EPCOR's website to enable any member of the public to participate.

9. Following is a summary of the residential and commercial survey results. Complete survey results are included under Attachment 1 of this document.

2.1 Residential Survey Results Summary

10. A total of 1,219 fully-completed surveys were analyzed. Of this, 29% of respondents were multi-residential customers (roughly half that own, and half that rent). The remaining either rented or owned freestanding dwellings, the majority of which owned a single residential home (58%). The margin of error for a random sample of this size is +/-2.8%, 19 times out of 20.

EPCOR's Awareness is High in Edmonton and Customers Remain Satisfied with EPCOR's Services

- Seven in ten respondents, on an unaided basis, indicated EPCOR provided their wastewater and stormwater services and eight in ten named EPCOR on an aided basis.
- 43% of respondents have high satisfaction, 88% overall are satisfied, though satisfaction ratings have declined 2% overall and high satisfaction ratings declined significantly more. Cost is the main reason that satisfaction levels have softened (cost represents 56% of reasons provided), though the desire for overall continued improvement and reduced odour are also indicated (18% of responses each).

Top Concerns of Edmontonians Show a Considerable Shift since 2020

- Cost is now the most significant top of mind concern, followed by concerns about infrastructure, odour issues, and satisfaction with service.
- On a prompted basis, reliability of infrastructure is the top concern at 46%, followed by sewer back up and flood risk. Overall, most prompted issues fall in a relatively narrow range of 'concern' between 37% and 46%. While sewer odour is in the lower end of the list, it had the highest overall 'very concerned' score indicating that for those whom it does concern it's more significant.

Priorities Remain - Environment, Safety, Responsible Investment Supporting Reliability

- For wastewater the top priorities for residential consumers remain consistent with 2020: reducing contaminants going to the river (#1) and public and employee safety (#2). Reducing odour is the third priority, followed by reducing energy use in operations.
- For stormwater the top two priorities are also consistent with 2020: quick response times for blocked sewers and emergencies (#1), and reducing contaminants that could enter the river (#2). However, residents this year put a much higher priority on

reducing the number of blocked main-line sewers (this moved from #7 to #3), and ease of reporting issues also gained significant priority (moving from #8 to #5).

- For both wastewater treatment and stormwater management the combined view of unaided concerns and ranked priorities tells us that infrastructure and maintenance are of extreme importance, though when paired with the top of mind concern about cost, efficiency should be factored in. The goal of investment is creating long term efficiencies, sustained reliability, and consistency.

Billing Stability is Very Strongly Supported

- 62% of respondents indicated 'keeping bills constant from month to month' is an 8, 9, or 10 out of 10 priority area. Further, 85% of residential consumers indicate their preference is for EPCOR to hold back surpluses to mitigate fluctuations. This makes sense with 63% of Edmontonians feeling they are either struggling or simply managing 'ok' economically. I.e. when money is tight, there is little room for surprises (Note: this data comes from other surveys). The significant majority want EPCOR to equalize costs in the background.

2.2 Commercial Survey Results Summary

- Customers remain satisfied with EPCOR services (52% high satisfaction, 79% overall satisfaction), WWT and WWC services are rated higher with 94% overall satisfaction.
- Cost is the main reason that satisfaction levels have softened with 46% indicating the cost for wastewater treatment is unfair, and 61% indicating sewer and drainage services are unfair.
- Despite cost concerns, commercial customers expect to continue an increase in investment to promote long-term efficiencies and system performance. This demonstrates how important a well-functioning and predictable system is to commercial operators.

Billing stability strongly supported

- Similar to the residential results, commercial and multi-res respondents strongly favoured consistent and predictable billing, with 61% ranking it as very important.

2.3 Next steps

11. EWS will be conducting small group interviews with developer organizations and the Gold Bar Community Liaison Group, which consists of 10-15 people representing communities and organizations surrounding, or with a connection to, the Gold Bar Wastewater Treatment Plant.

3.0 CONCLUSION

12. EPCOR's surveys of residential commercial and mutli-residential customers have revealed four key themes that are reflected in the PBR application:

- EPCOR remains a known and trusted utility service provider;
- Cost/affordability, environmental and river protection and safety are key priorities for customers;
- Efficient investment in reliability of infrastructure is supported; and
- Stability of bills is strongly supported.



PROVIDING MORE

Attachment 1

EPCOR WWC & WWT PBR 2024 Public Consultation

Edmonton Residential
Quantitative Survey Results

April 22, 2024

**Stone —
Olafson**



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EPCOR Water Services Inc. is regulated by City Council in accordance with their Performance Based Regulation (PBR) plan. The purpose of this type of regulatory framework is to create incentives for operators to improve their efficiency, and to focus on both price (rates) and quality of service in areas that are important to stakeholders. As Wastewater Collection (WWC) and Wastewater Treatment (WWT) utilities prepares for PBR renewal, they are conducting public engagement as part of this process to learn how important their current areas of performance are to stakeholders as well as uncover any other (new or unknown) areas that that should be part of the plan. Ultimately, the PBR application will include recommended operational and capital programs, performance measures and rates, in a way that's informed by the public engagement process.

The goals of public engagement of are to:

- Have public and community input inform policy choices, priority-setting for operations and capital programs, performance measurement and rate design;
- Provide the public with opportunities to ask questions, express concerns and raise issues with respect to the PBR renewal and their utility services;

- Maintain positive and productive relationships with key audience and community members throughout the development and implementation of the PBR application; and
- Report on how community feedback was used in the PBR application.
- Maintain positive and productive relationships with the key decision makers and stakeholders on the PBR development and implementation
- Report back to stakeholders as the PBR renewal process progresses on how their feedback was used by EPCOR
- Help inform communications and campaigns to educate customers on their water & wastewater utilities.

EPCOR is seeking input on four key areas;

- Values
- Performance Priorities
- Cost and Risk Sharing
- Rates

PBR Consultation: Objectives

The first phase of the EPCOR PBR study is an online survey with EPCOR decision maker customers including residential and multi residential.

The objectives of this study are:

- To understand values & high-level performance areas
- Identify overarching and most sensitive areas of how EPCOR performs that matters most
- Gather feedback on existing or proposed broad areas of performance
- Early analysis of rate sensitivity
- What to do with the information: Data will inform EPCOR with key areas of focus for more detailed engagement, support the prioritization of focus areas, and validate and/or refine performance measures (weighting and categories)



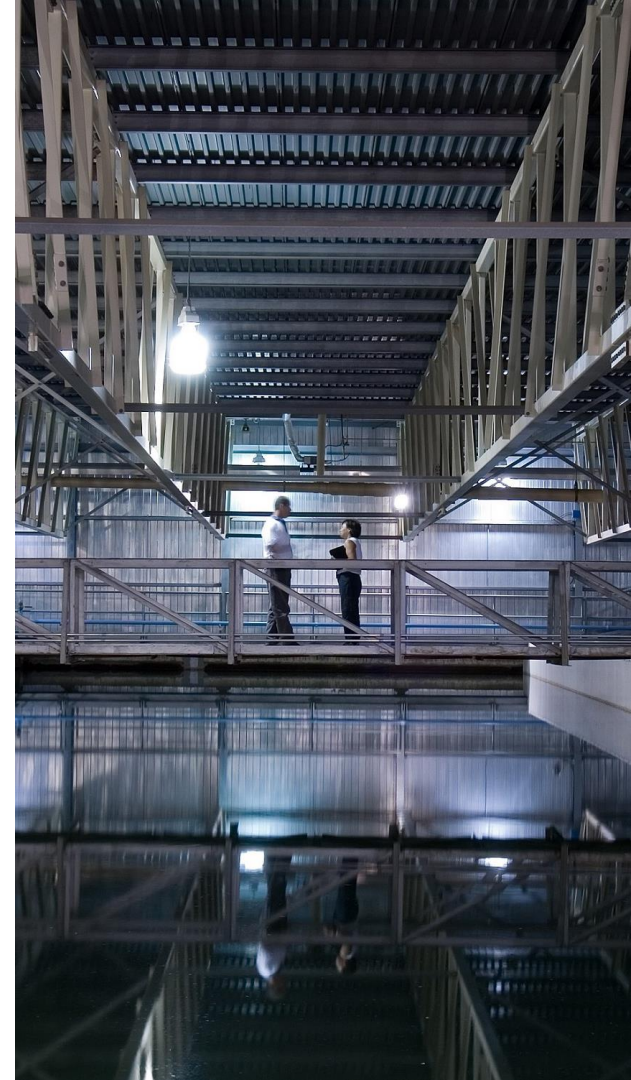
Methodology

Stone-Olafson conducted an online survey among an online sample of Edmonton residents representative of the GEA based on age, gender, and macro area. In addition, a live link to the survey was posted on EPCOR's website to enable any member of the public to participate in the survey.

A total of n=1,219 fully completed surveys were retained in our analysis following a four part data cleaning process. The margin of error for a random sample of this size is +/-2.8%, 19 times out of 20. Of this, 29% of respondents were multi-residential residents (roughly half that own, and half that rent). The remaining either rented or owned freestanding dwellings, the majority of which owned a single residential home (58%).

The data was collected between March 3 and 24th, 2024.

📍 Note: Compared to 2020 PBR residential consultation, the methodology used changed in terms of sample base. In 2020, the survey was sent directly to EPCOR customers via EPCOR contact lists with the logo and knowledge of who was conducting the survey visible. In 2024, the survey was conducted via external sample, and remained blind (survey sponsor not identified) until detailed questions were asked.



The story on one page...

- **EPCOR awareness is high in Edmonton**, with seven in ten indicating EPCOR on an unaided basis for WWC and WWT services, and eight in ten naming EPCOR on an aided basis.
- **Customers remain satisfied with EPCOR services** (43% high satisfaction, 88% overall satisfaction), **though satisfaction ratings have declined** 2% overall and high satisfaction ratings declined significantly more.
- **Cost is the main reason that satisfaction levels have softened** (cost represents 56% of reasons provided), though the desire for overall continued improvement and reduced odour are also indicated (18% of responses each).
- **Top of mind concerns of Edmontonians show a considerable shift** since 2020, with cost now the most significant top of mind concern followed by concerns about infrastructure, odour issues, and satisfaction with service cited most often.
- **On a prompted basis, reliability of infrastructure is the top concern** at 46% followed *sewer back up and flood risk*. Overall, most prompted issues fall in a relatively narrow range of 'concern' between 37% and 46%. While sewer odour is in the lower end of the list, it had the highest overall 'very concerned' score indicating that for those whom it does concern it's more significant.

PBR Priority Areas (prompted)

- **WWT – 7** priority areas tested: the top priorities for residential consumers remains consistent with 2020; reducing contaminants (#1) and public and employee safety (#2). Reducing odour is the third priority, followed by reducing energy use in operations.
- **WWC 9 – 10** priority areas tested: Similarly, the top two priorities for WWC are also consistent with 2020; Quick response times for blocked sewers and emergencies (#1), and reducing contaminants that could enter the river (#2). However, residents this year put a much higher priority on reducing the number of blocked main-line sewers (this moved from #7 to #3), and ease of reporting issues also gained significant priority (moving from #8 to #5).
- **In terms of billing strategy, consistency is highly valued** with 62% indicating 'keeping bills constant from month to month' is an 8, 9, or 10 out of 10 priority area. Further, 85% of residential consumers indicate their preference is for EPCOR to hold back surpluses to mitigate fluctuations. This makes sense with 63% of Edmontonians feeling they are either struggling or simply managing 'ok' economically. I.e. when money is tight, there is little room for surprises.

What it means

1. EPCOR overall is coming under more scrutiny through inflationary times, though expectations of the communities served remain consistent.

- Constituent priorities have held, and in spite of cost concerns, Edmontonians want to ensure the river, public, and employees are secure to the point they are still willing to invest.

2. While Edmontonians prioritize protection even if it means investment, the goal is long term efficiency.

- Note that for both WWT and WWC the combined view of unaided concerns and ranked priorities tells us that infrastructure and maintenance are of extreme importance, though when paired with the top of mind concern about cost, efficiency should be factored in. The goal of investment is creating long term efficiencies, sustained reliability, and consistency.

3. Consistency in cost/billing is particularly critical.

- Leaning towards investment in a financially challenged environment means Edmontonians don't feel they can afford surprises. The significant majority want EPCOR to equalize costs in the background.

4. Rates/pricing should always communicated in connection to supporting service reliability AND long - term efficiency.

- Edmontonians want to know that efficiency and good use of funds matters. With satisfaction waning, it will be important that EPCOR speaks to understanding this environment and the long term efficiencies/benefits that will be gained.

5. Rates/investment should always communicated in connection to supporting community protection AND long-term efficiency.

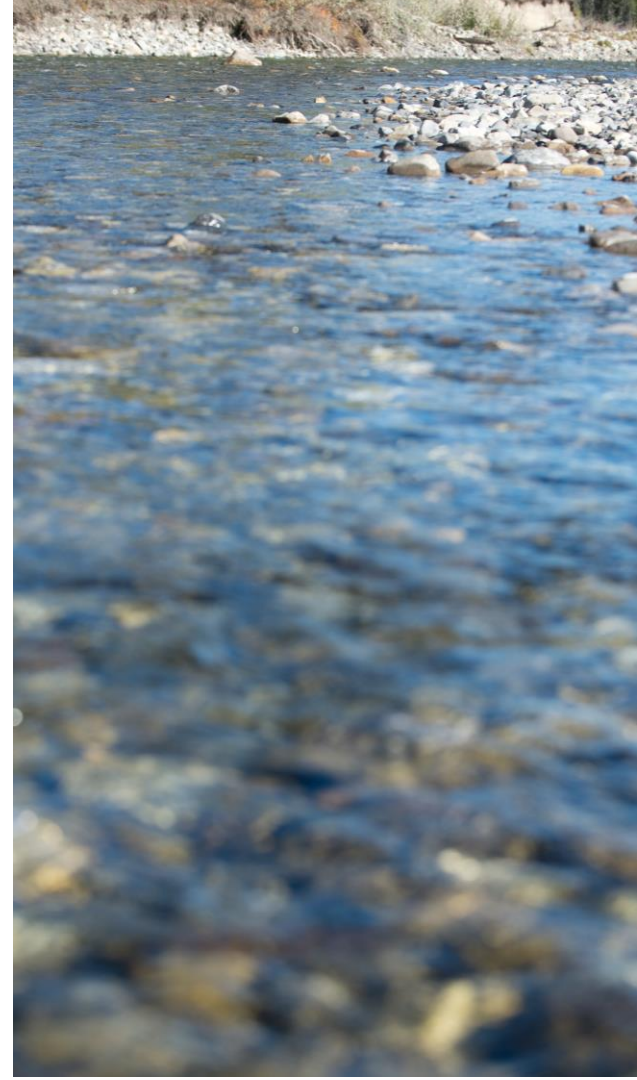
- Edmontonians want to know that efficiency and good use of funds matters to EPCOR. With satisfaction waning in the face of inflation, further improvement wanted, and slightly higher emphasis on 'ease of getting through' and 'service', EPCOR will want to ensure that Edmontonians feel heard before significant investment is visible.



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Detailed Findings: Residential Customers

**Stone —
Olafson**



Detailed Results

THE CONTEXT

EPCOR Awareness, Reputation, Satisfaction, & Community Ratings



The context highlights:

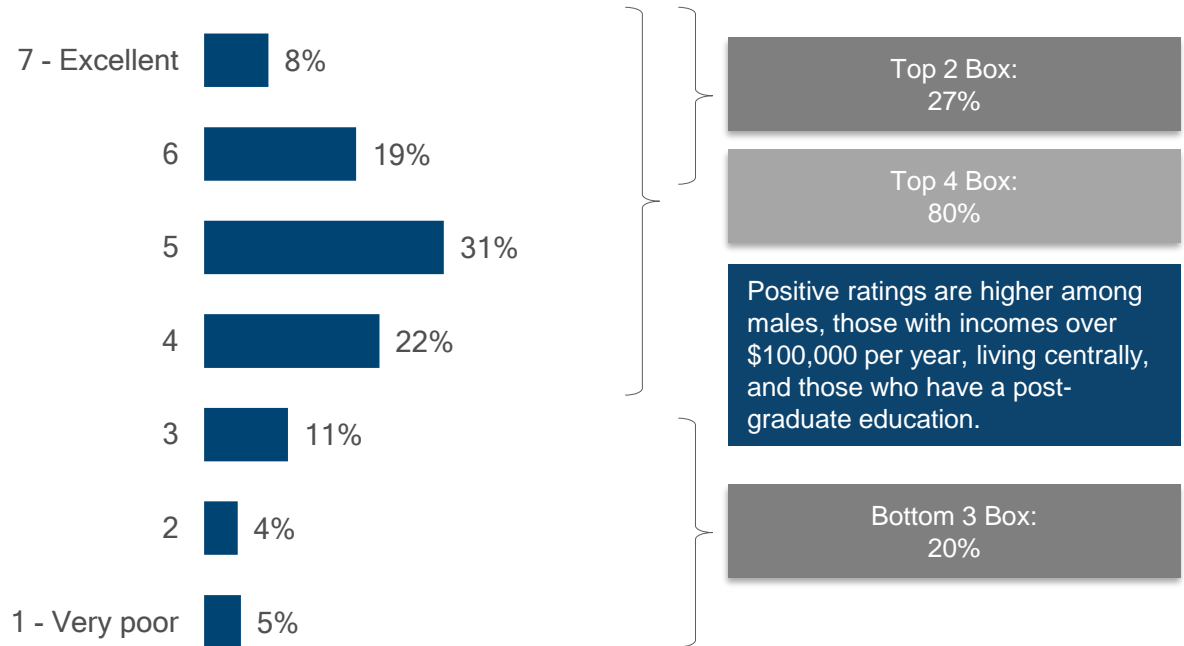
- Awareness of EPCOR is high with the majority able to name EPCOR as the service provider of Wastewater Treatment (71%), Drainage Services (69%) and Storm Water Collection (66%) on an unaided basis, and 8 in 10 indicate EPCOR on an aided basis.
- Residential customers are satisfied with their service (4-7 out of 7) at 88%, and very satisfied (6-7 out of 7) at 43%.

Note; this represents a decline since 2020, with the majority of dissatisfaction ratings due to high cost (56%), overall room for improvement (18%), and issues with quality/odour (18%)

- Consistent with most satisfaction ratings, a lack of issues drives satisfaction (i.e. out of sight, out of mind), followed by good service and reliability.

Just under 1/3 of Edmontonians are highly satisfied with utility services overall, and 20% are dissatisfied.

Overall Satisfaction with Utility Service in Edmonton

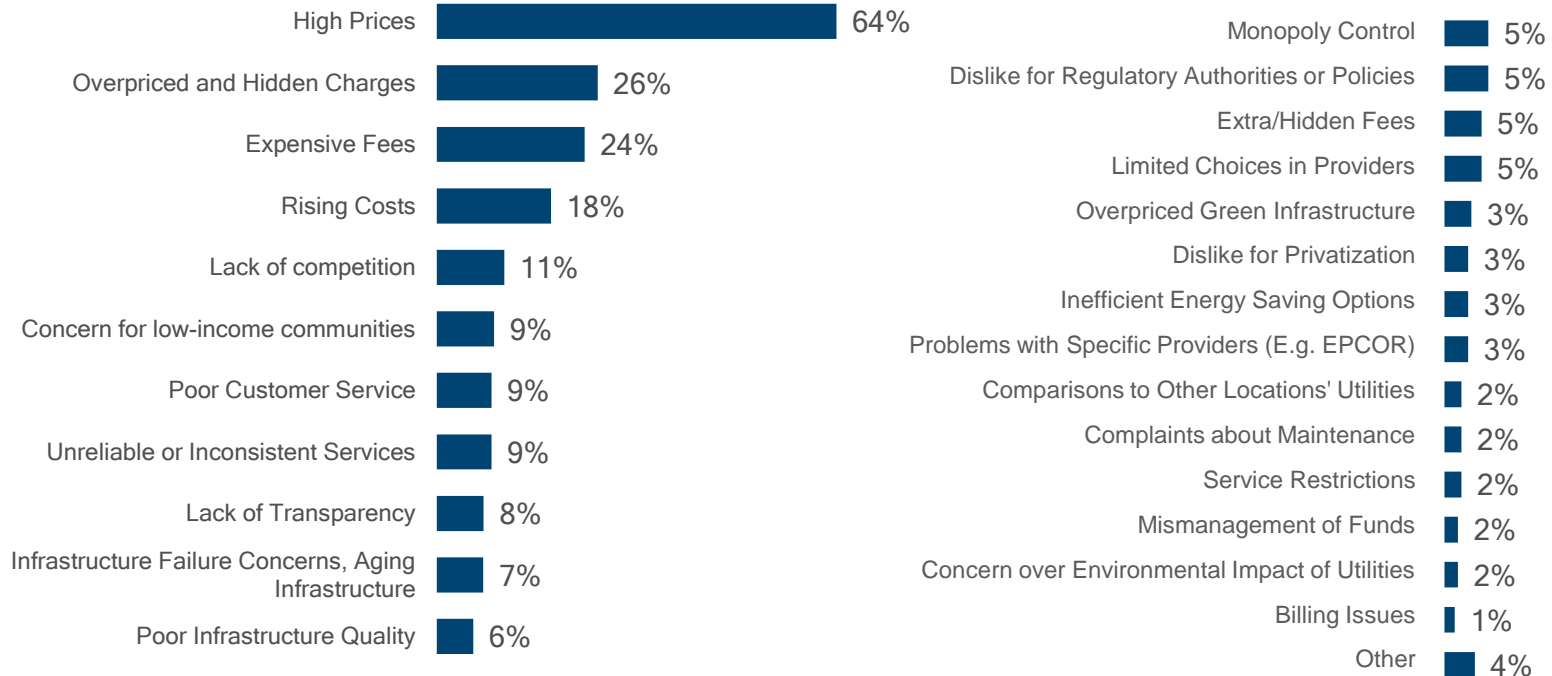


Base: All respondents: Residential (n=1,219)

Q2. Thinking broadly, how would you rate the quality of utility services in Edmonton overall?

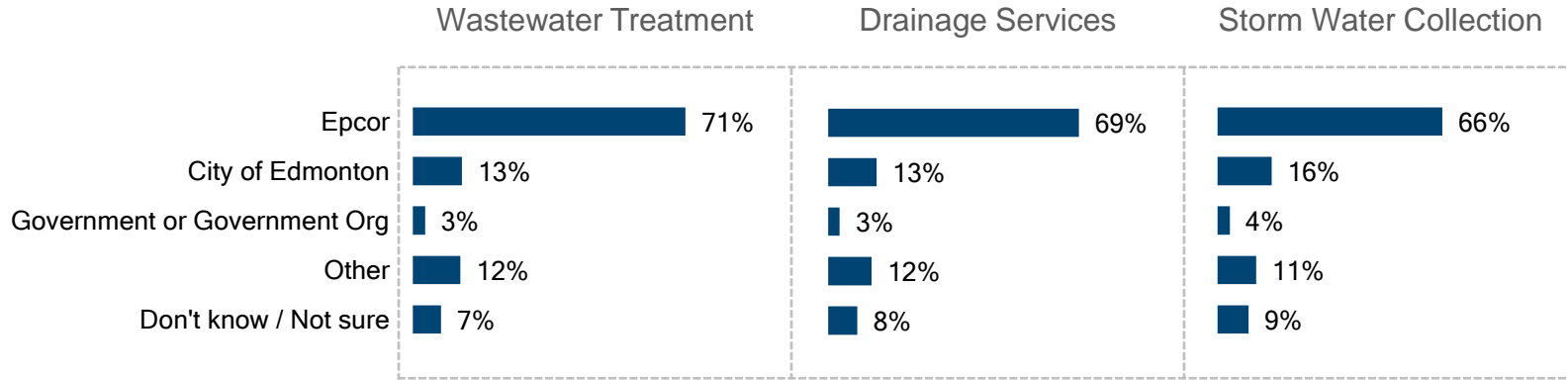
Those who are dissatisfied with utility services in Edmonton indicate costs, rising costs, and fees as the primary issues.

Reason for Dissatisfaction with Edmonton Utilities
(1+2+3 out of 7, n=239)



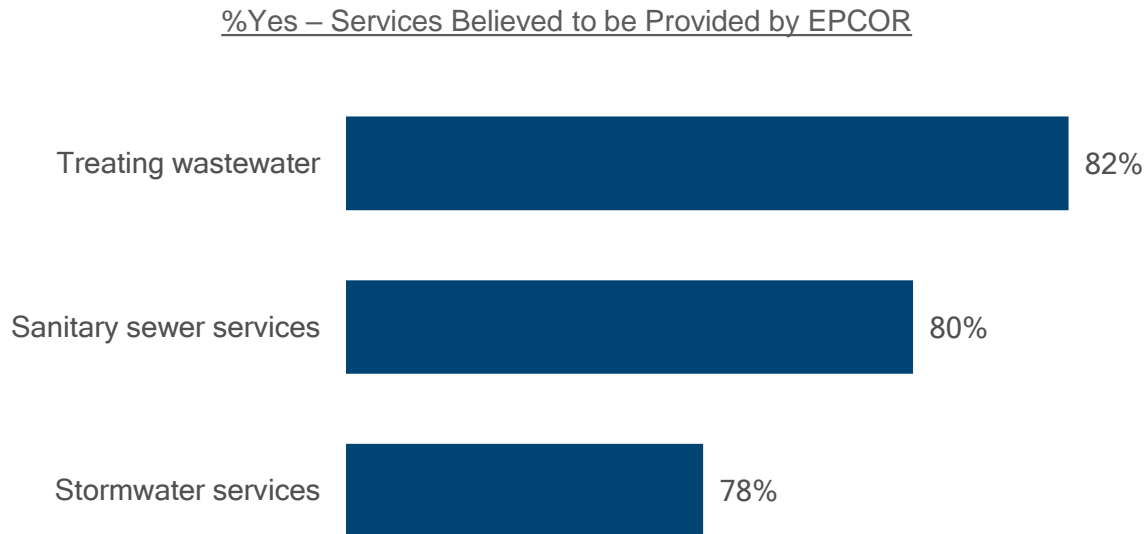
Awareness of EPCOR as the service provider is high.

Roughly two thirds or more of EPCOR residents are aware that EPCOR manages all wastewater treatment, drainage, and collection services by name. The remaining primarily identify the city of Edmonton.



Those who are not aware of EPCOR as a service provider by name are more likely to be 18-34, self-identify as a visible minority, and rent or live in a multi-residential property.

When asked about EPCOR specifically (prompted) confirmation of EPCOR as utility provider of WWC and WWT increases to 80%.

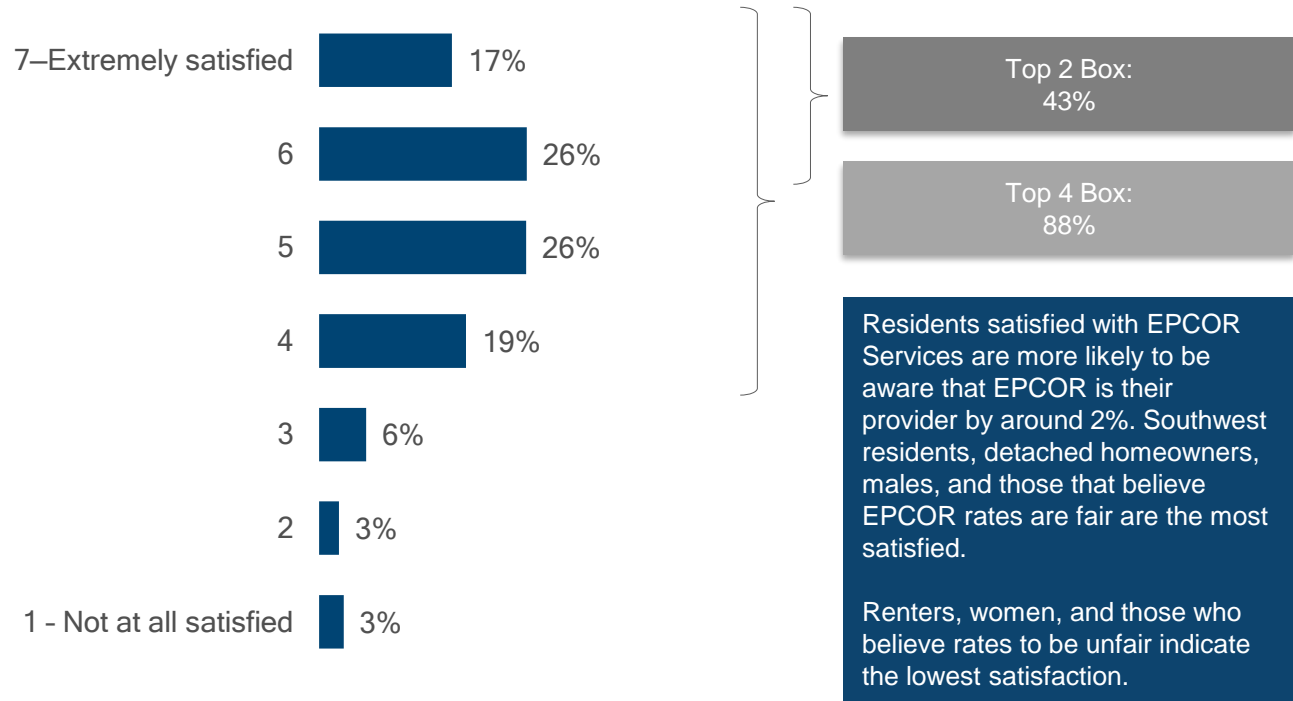


Base: All respondents: Residential (n=1,219)

Q6. To the best of your knowledge, is EPCOR responsible for providing these services in Edmonton?

The majority of Edmontonians (88%) are satisfied with EPCOR WWC and WWT Services, with 43% very satisfied (top 2 box).

Overall Satisfaction with EPCOR Water Services

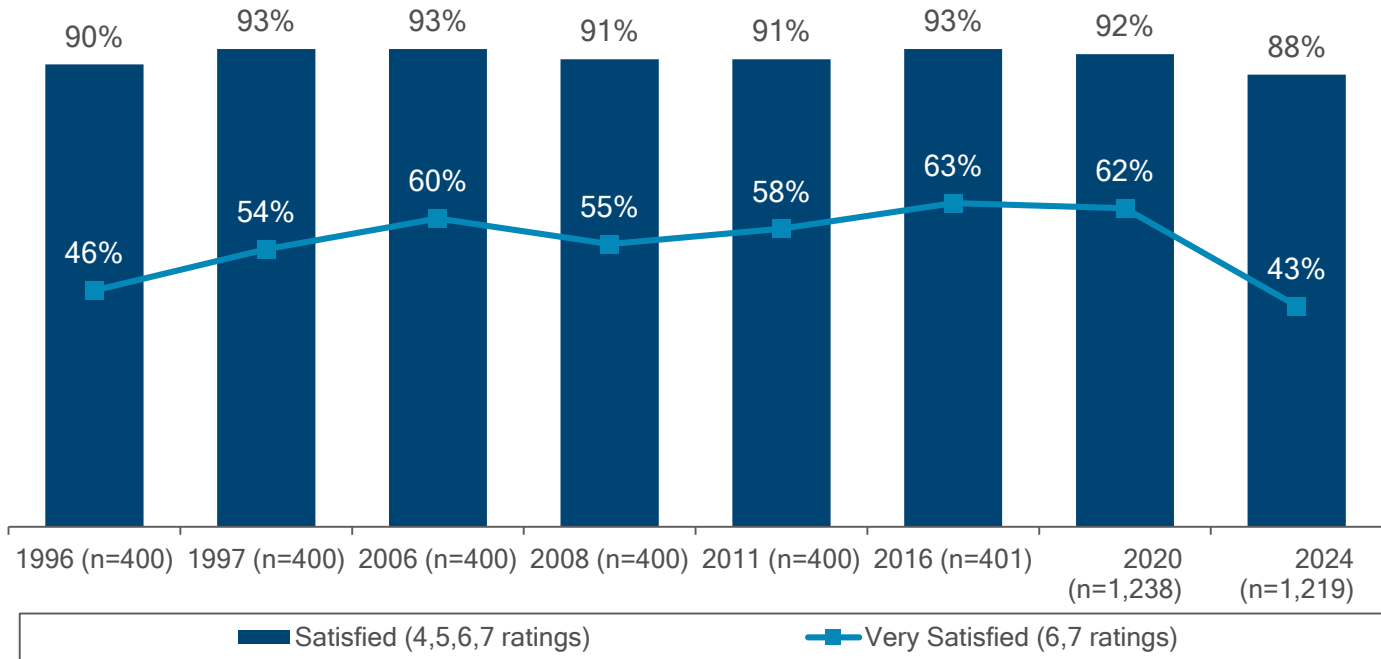


Base: All respondents: Residential (n=1,219)

Q7. How would you rate your OVERALL satisfaction with your water, water treatment, and sewer services?

While overall satisfaction softened just slightly, the % very satisfied shows a distinct decline.

Overall Satisfaction with EPCOR Water Services – Tracking (Residential)

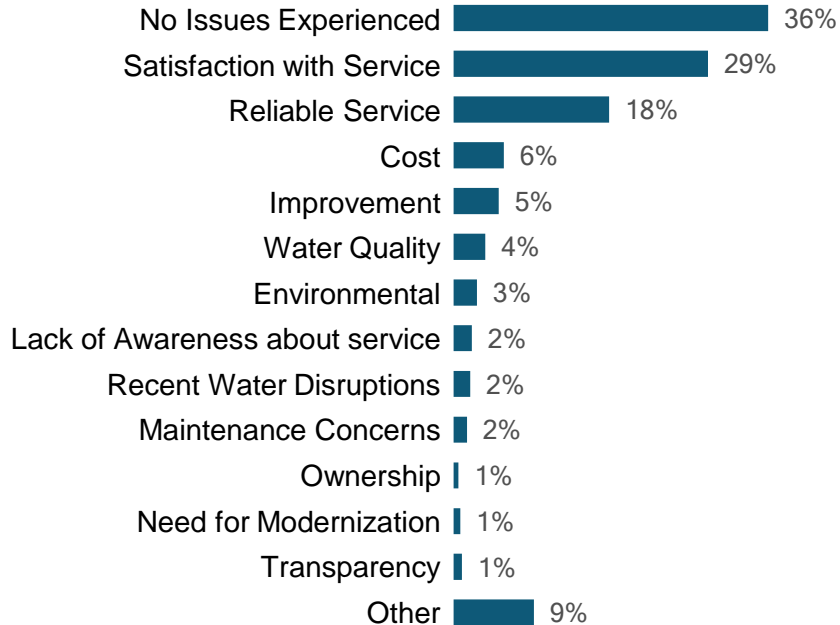


Base: All respondents: Residential (n=1,219)

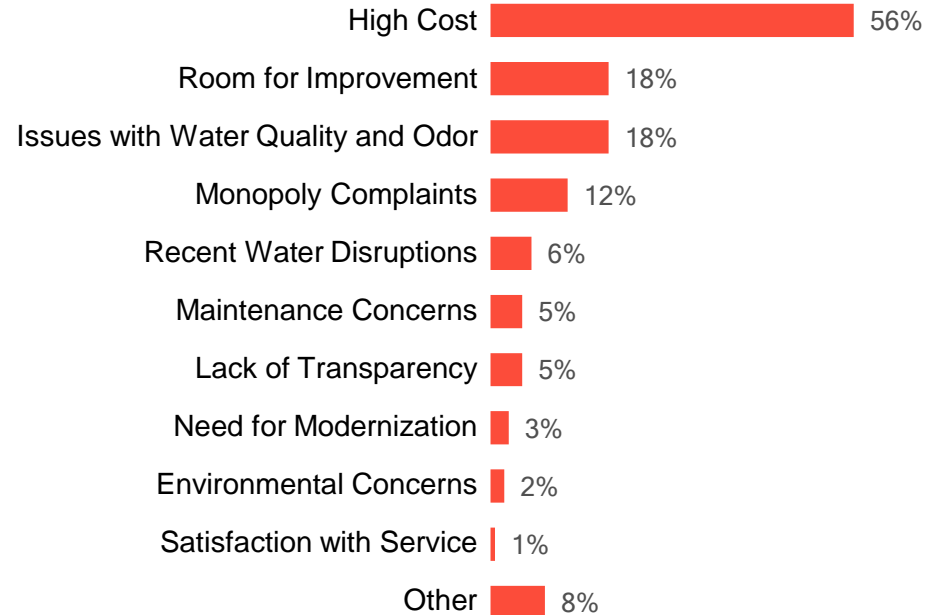
Q7. How would you rate your OVERALL satisfaction with your water, water treatment, and sewer services?

Positive satisfaction ratings are driven by consistency in service, while negative ratings are driven by *cost, desired improvements, and odour.*

Reason for Rating (Very Satisfied (6+7, n=528)

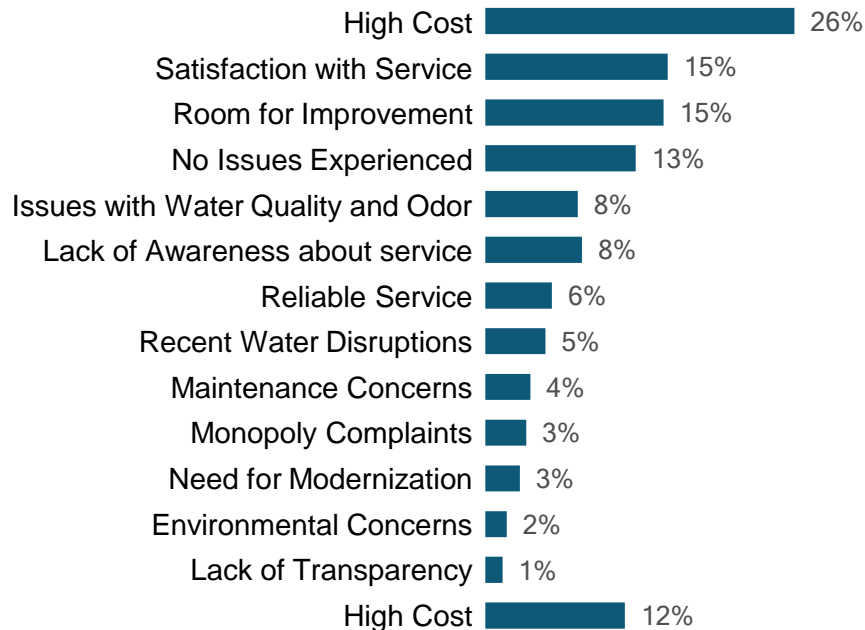


Reason for Rating (Not Satisfied (1+2+3, n=142)



The majority of respondents gave soft-positive satisfaction ratings, with the dominant reason being high-cost perceptions.

Reason for Rating (Very Satisfied (4+5, n=549))





Detailed Results

Values, Concerns, & PBR Performance Areas





Concerns, Values & Priorities

- Roughly two thirds of Edmontonians can name a top-of-mind concern regarding wastewater treatment and collection, the most significant of which are; cost, regarding aging infrastructure, odour mitigation, and service.
- Respondents were asked to rank their top three priorities for each WWT and WWC. The data was then analyzed using Thurstone analysis to determine the magnitude of importance for each priority. The results show more variety of opinion than in prior years, however, the overall results are fairly consistent.
- **WWT Top 5 Priorities:**
 - i. Reducing contamination in treated water going back to the river
 - ii. Public and employee safety in operations
 - iii. Odour mitigation
 - iv. Reduce energy use in treatment operations
 - v. Customer service/support that is easily accessible
- **WWC Top 5 Priorities:**
 - i. Quick response time for blocked sewers/emergencies
 - ii. Reduce contaminants from drainage that could enter the river
 - iii. Reduce the number of blocked main-line sewers
 - iv. Maintain sewer drainage performance (reduce flood risk)
 - v. Ease of reporting issues
- Following open end and prompted questions, 84% of respondents indicated they could think of no other suggestions. Of the 16% who could offer another suggestion, cost mitigation was the strongest theme.

To validate PBR performance areas and weighting, we asked participants questions in **three different ways (below)**.

Recommendations based on our findings are shown on the next page followed by the detailed results



1. Top of mind (or 'unaided') concerns.

This allowed us to explore customer's own language and any issues they felt were important about their water treatment, and drainage services that may not have been identified in the existing PBR.



2. Importance of prompted concerns and performance areas for each line of business

A list of potential impact areas (concerns) as well as performance areas were identified through past research, customer listening tools, and secondary sources. The lists were then tailored for each line of business and presented for customers to rate importance (i.e. prompted ratings).



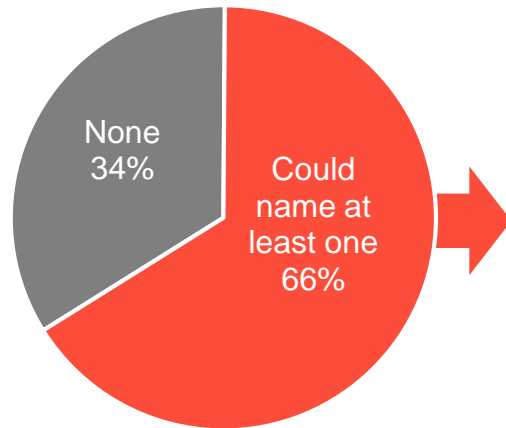
3. A sorting task of PBR performance areas and Thurstone analysis to identify *degree of importance*

Finally, customers were asked to conduct a ranking of potential future areas of performance for each line of business in terms of what mattered to them most.

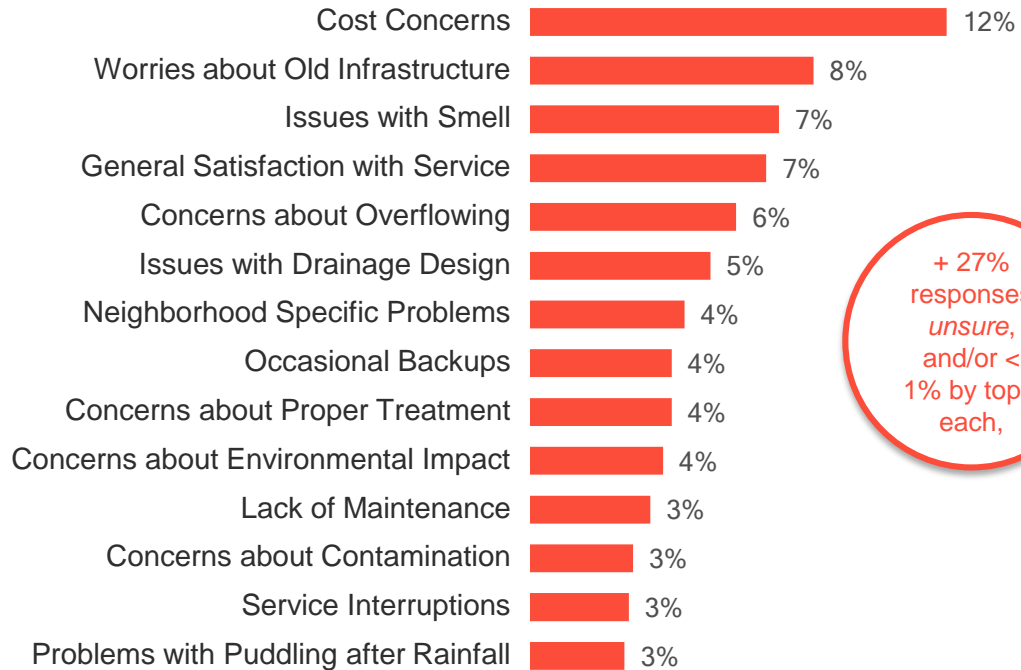
This was followed up by a direct question asking if there are any other areas EPCOR should be considering.

Two thirds of Edmontonians have top of mind concern, with cost, aging infrastructure, and odour being dominant themes.

% of Respondents indicating a 'top of mind concern'



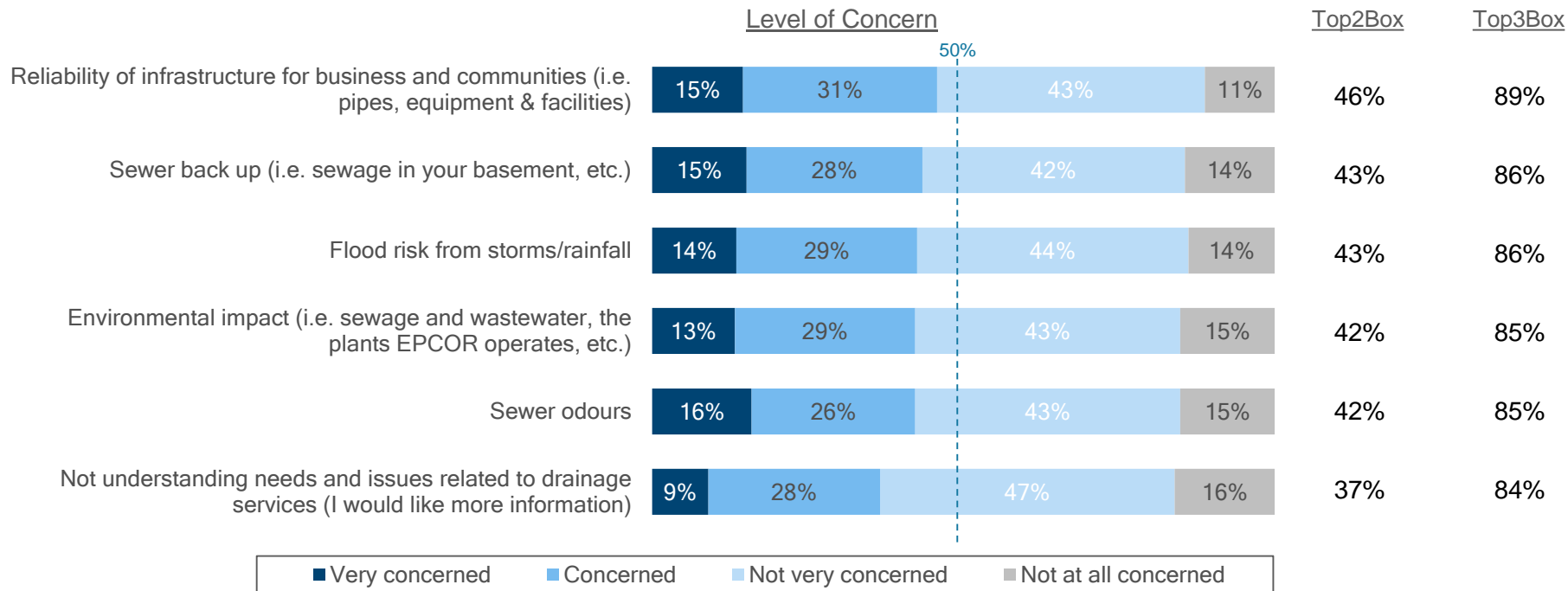
% of Concerns by Theme



+ 27% responses unsure, and/or < 1% by topic each,

Prompted: Infrastructure reliability and sewer backup lead concerns.

Those central and those 18-34 are much more concerned with environmental impact, sewer odours, and not being familiar enough with drainage services.



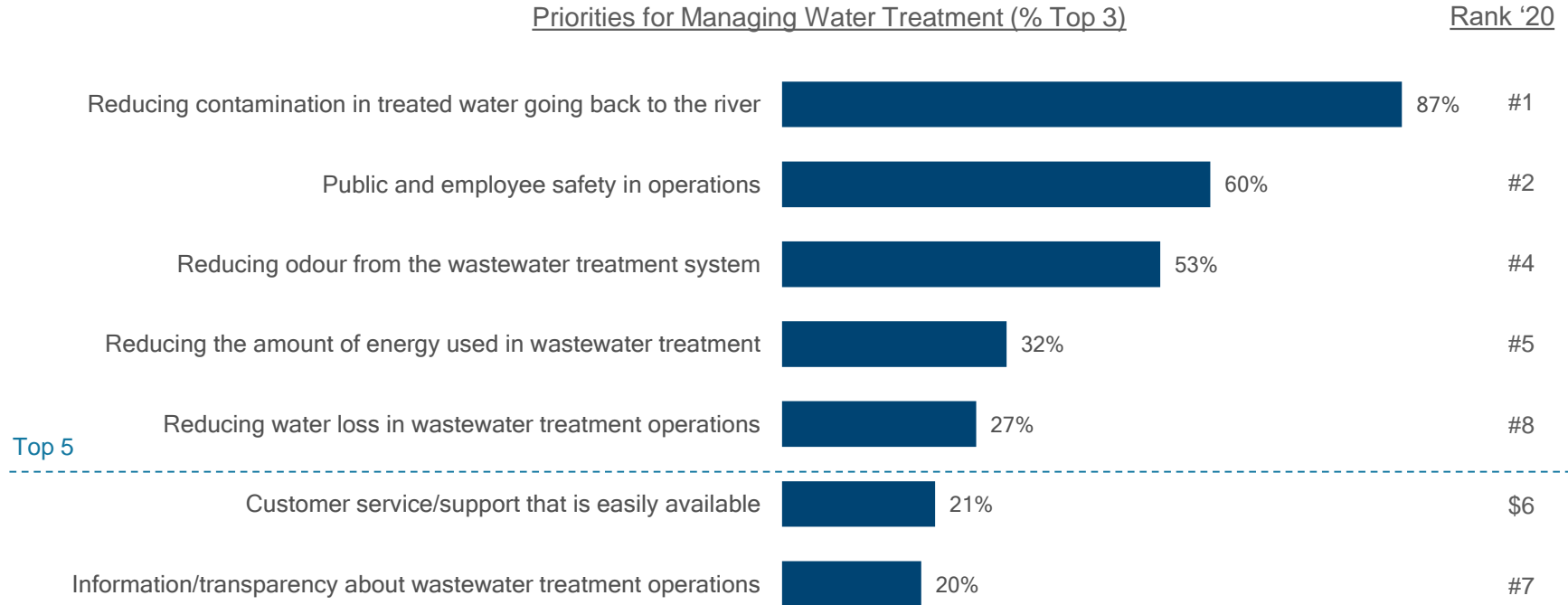
Base: All respondents: Residential (n=1,219)

Q10. EPCOR provides wastewater treatment and drainage services, including sanitary sewer and stormwater, in the City of Edmonton. How concerned are you with the following in your neighbourhood?

WWT Priorities

Protecting the river, the public, and employees are the highest priorities given for wastewater treatment, followed by odour mitigation.

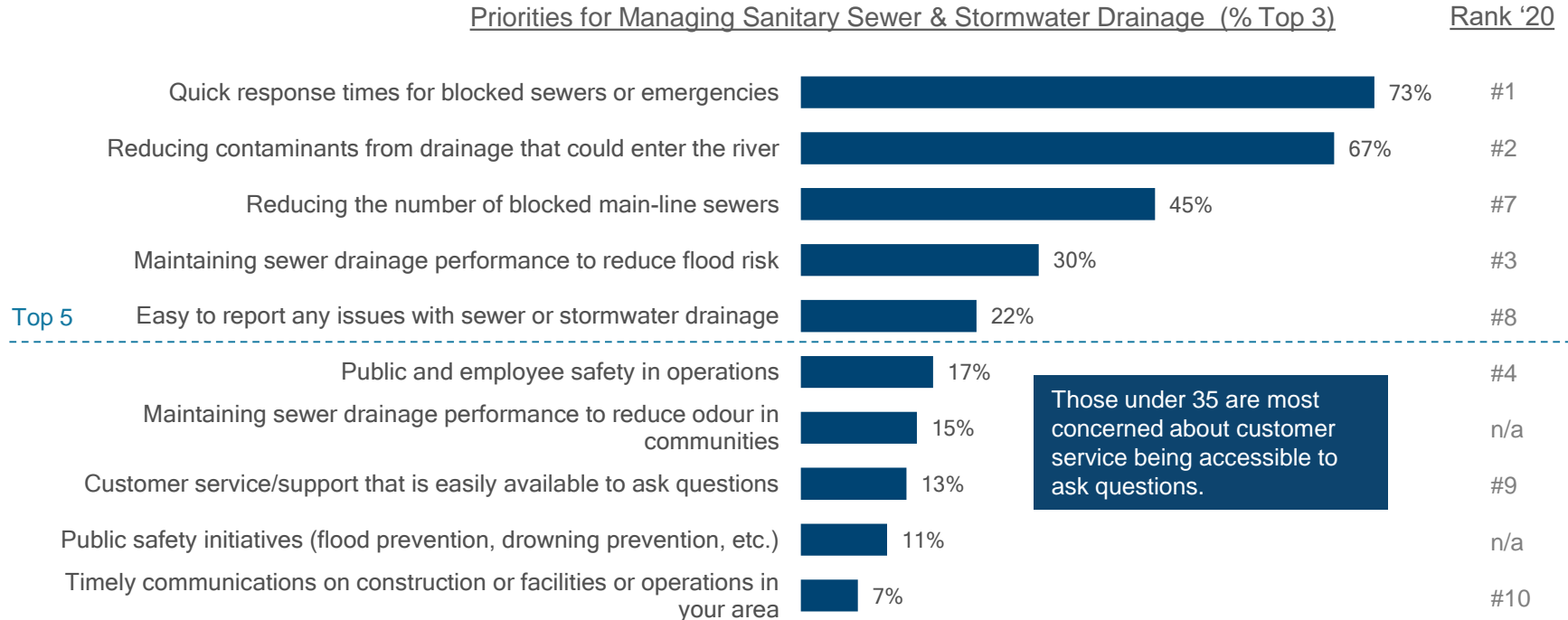
Note: the options offered varied slightly from 2020 (9 total)



Base: All respondents: Residential (n=1,219) Q11. The following is a list of considerations that operators look at when treating wastewater created by communities and businesses. We would like you to rank how important each one is to you personally, where 1 is most important to you, followed by 2, 3, etc. Please drag and drop the below into your preferred order.

WWC Priorities

Respondents are most concerned about *response times* for blocked sewers and emergencies and *protecting the river* from contaminants.

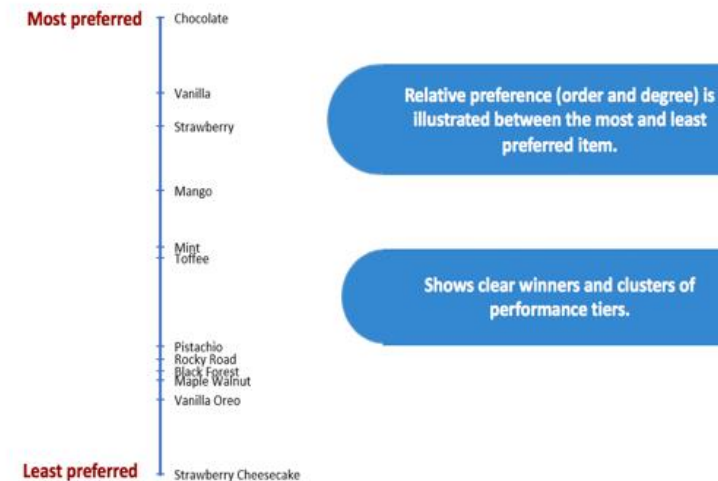


Base: All respondents: Residential (n=1,219)

Q12. The following is a list of considerations that operators look at when managing sanitary sewer and stormwater drainage in communities. We would like you to rank how important each one is to you personally, where 1 is most important to you, followed by 2, 3, etc.

What is a Thurstone Analysis?

Example: Sorting preferred ice cream flavours



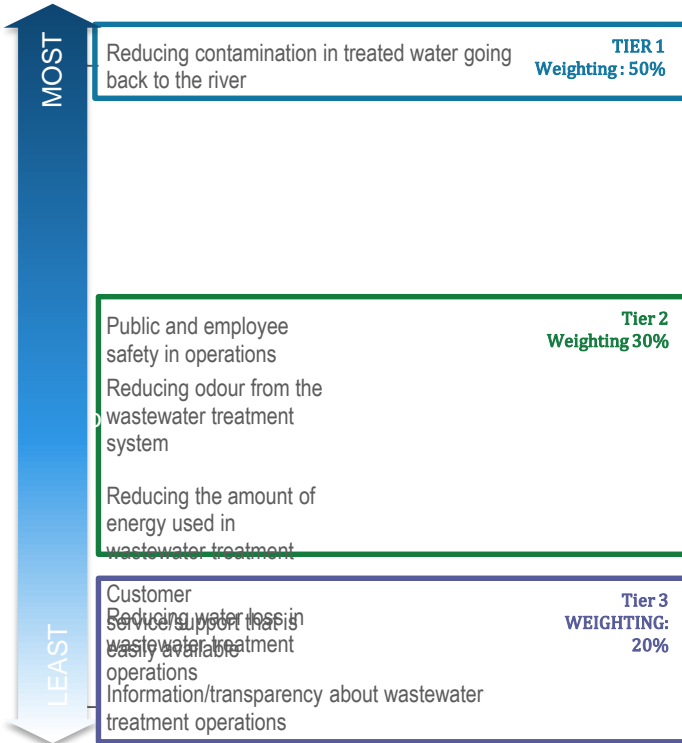
As part of the survey, customers were asked to rank performance areas in terms of what is most important to them.

While sorting and ranking preferences is helpful, it is limiting in that it doesn't allow us to understand the degree of preference within options.

A **Thurstone Case V Scaling** analysis is a simple analytic tool that takes a ranking question from beyond order of preference to showing how much more each item is preferred, relative to the other choices. This technique eliminates any “ties” that occur in preference ratings, is easy to interpret, and provide more actionable data overall.

Thurstone Analysis Output for EPCOR WWT Priorities:

IMPORTANCE Residential (n=1219)

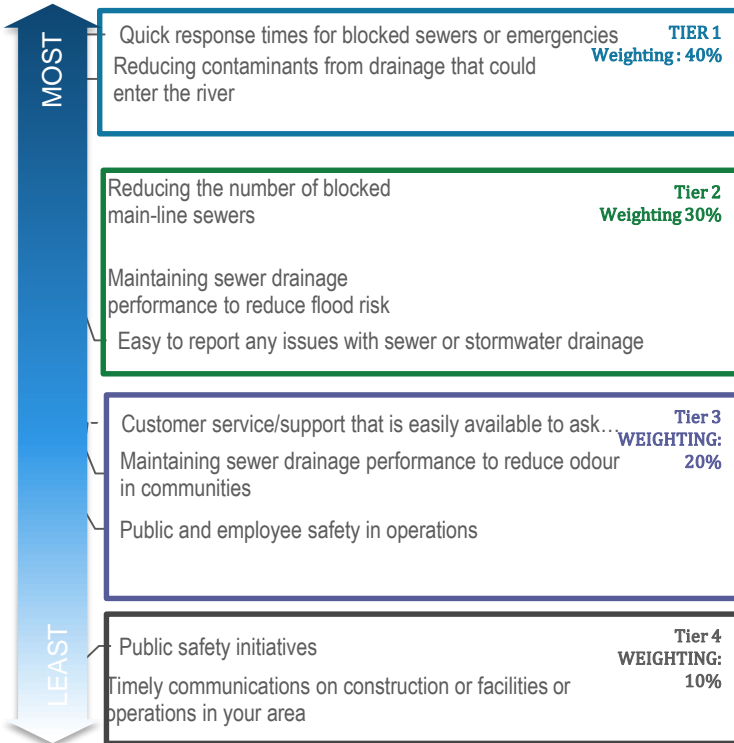


Observations:

- There was very little difference in priorities between residential and multi-residential (the rank order is identical).
- Compared to 2020, magnitude of importance is more evenly distributed (tier 2 and 3 have elevated in priority vs. 2020)
- There is slightly more emphasis on safety and odour reduction than before.
- Customer service and support is now slightly more important than reducing water loss in treatment operations.

Thurstone Analysis Output for EPCOR WWC Priorities:

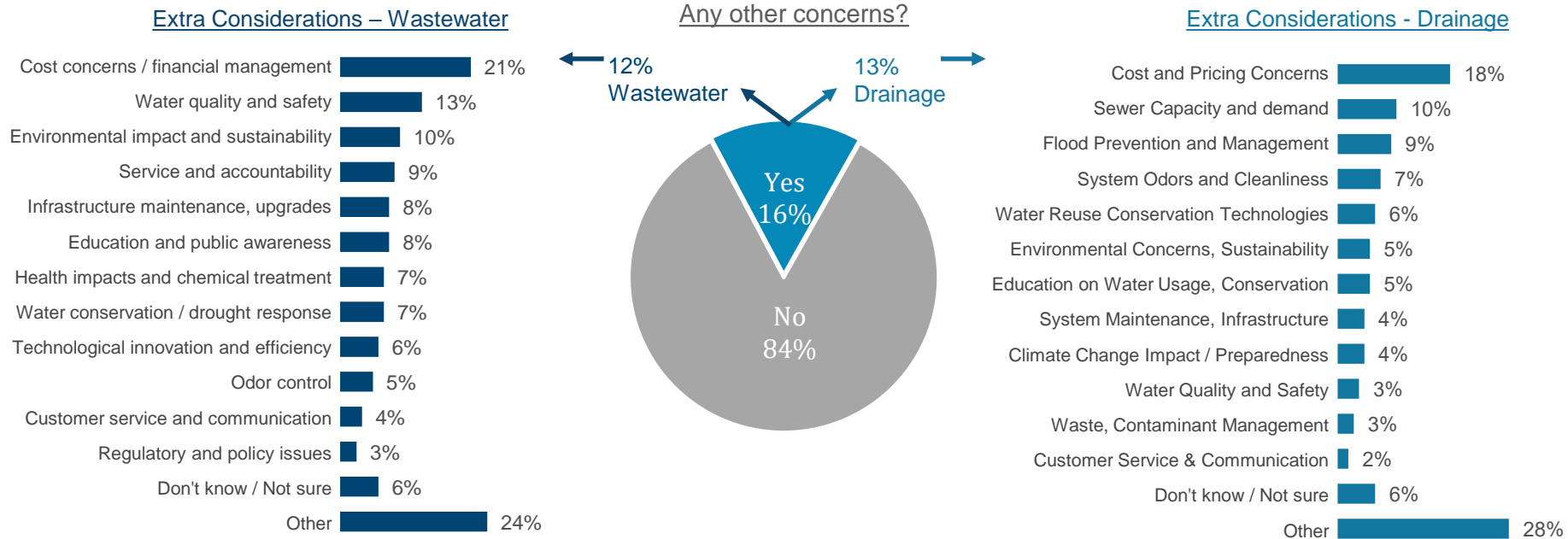
IMPORTANCE Residential (n=1219)



Observations:

- There was very little difference in priorities between residential and multi-residential (the rank order is almost identical, though reducing contaminants is just slightly higher for multi-residential)
- While quick response time for emergencies has remained the #1 priority (as in 2020), reducing contaminants has increased in importance as has reducing the overall number of blocked main-line sewers.
- Compared to 2020, magnitude of importance is again more evenly distributed, to the point that we see four distinct priority 'tiers' vs. three.

16% of respondents felt additional priorities should be considered, most indicating both for treatment and drainage. Cost considerations are most dominant in both cases.



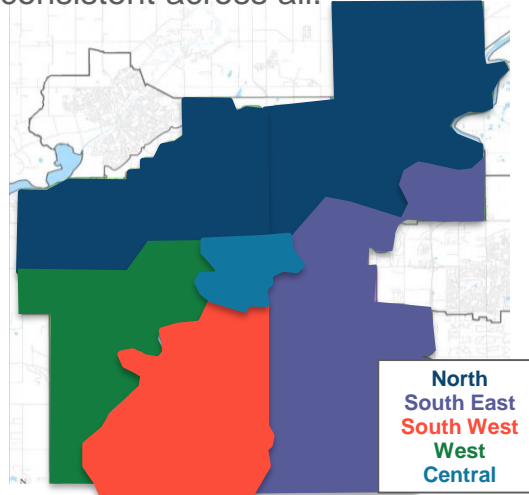
Base: Provided other considerations

Q13. Now that you have had a chance to think about your wastewater treatment, and stormwater and sewer drainage utilities, we would like to know what else (if anything) is important to you in how these services are managed that was not already mentioned. Do you have any other considerations you would like to suggest?

By Quadrant:

Concerns and priorities varied slightly by quadrant, as does appetite for investment. Top priorities, however, are consistent across all.

| Southwest | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Satisfaction % Top 2 box | 43% |
| Invest for improvement (6-10) | 62% |
| Top 3 Concerns <ul style="list-style-type: none"> • Cost • Overflow • Neighbourhood specific concerns Put a higher priority on... <ul style="list-style-type: none"> • Information/transparency about operation • Maintain performance to reduce odour • Public safety initiatives | |



| North | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Satisfaction % Top 2 | 39% |
| Invest for improvement (6-10) | 60% |
| Top 3 Concerns <ul style="list-style-type: none"> • Cost • Old infrastructure • Service Put a higher priority on... <ul style="list-style-type: none"> • Maintaining performance to reduce odour • Customer service/support that is easily available • Information/transparency about wastewater treatment operations | |

| West | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Satisfaction % Top 2 box | 41% |
| Invest for improvement (6-10) | 62% |
| Top 3 Concerns <ul style="list-style-type: none"> • Cost • Old infrastructure • Overflow Put a higher priority on... <ul style="list-style-type: none"> • Reduce energy use in wastewater treatment • Easily available customer service/support • Easy to report any issues with sewer or stormwater drainage | |

| Central/Inner city | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Satisfaction % Top 2 box | 51% |
| Invest for improvement (6-10) | 64% |
| Top 3 Concerns <ul style="list-style-type: none"> • Service • Old infrastructure • Service interruptions Put a higher priority on... <ul style="list-style-type: none"> • Public safety initiatives (flood prevention, drowning prevention, etc.) • Reducing contaminants from drainage that could enter the river • Public and employee safety in operations | |

| Southeast | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Satisfaction Top 2 box | 43% |
| Invest for improvement (6-10) | 64% |
| Top 3 Concerns <ul style="list-style-type: none"> • Cost • Odour • Service Put a higher priority on... <ul style="list-style-type: none"> • Public and employee safety in operations • Timely communications on construction/facilities/operations in area • Reducing contamination in treated water going back to the river | |

Detailed Results

Rate Sensitivity

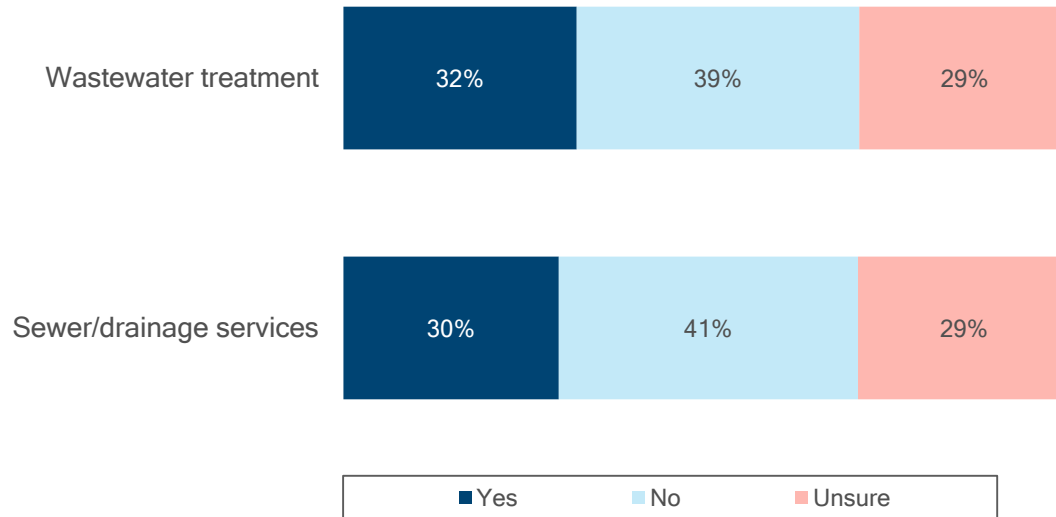


Rate Sensitivity

- More Edmontonians today indicate the rates they pay for WWC and WWT are not fair (40%) than fair (31%), while almost as many (29%) indicating they are unsure.
- Lower agreement with fair rates is a change in position from 2020, though explained by the fact that residents believe the cost of utilities have increased by more than the rate of inflation (43%)
- In spite of the fact that cost is the most significant concern, more respondents still feel investment for future protection of the infrastructure and efficiencies is worth the investment (62%) vs. status quo (30%) or reducing investment (8%).
- Residents also place a very high level of importance around predictability in billing (62%), and the vast majority (85%) would like EPCOR to *“Hold and manage seasonal surpluses to offset seasonal deficits to keep bills stable and predictable over time.”*

In 2024, customers are more likely to indicate their rates are *not* fair (40%), with the remaining roughly split between *fair* and *uncertain*.

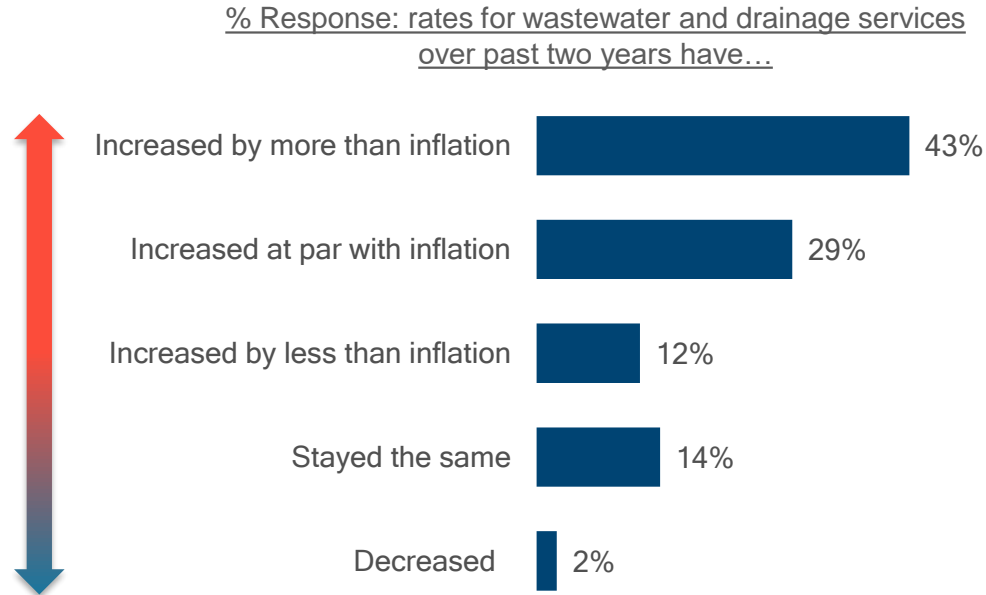
Detailed Breakdown: Fair Services (Residential)



Base: All respondents: Residential (n=1,219)

PS1. The monthly rates charged for water supply, wastewater treatment, and sewer/drainage services are determined through bylaw principles and used to both operate and maintain/improve the system. In your opinion, is the rate you pay for these services today fair?

The strongest opinion is that rates have increased by more than inflation (43%).



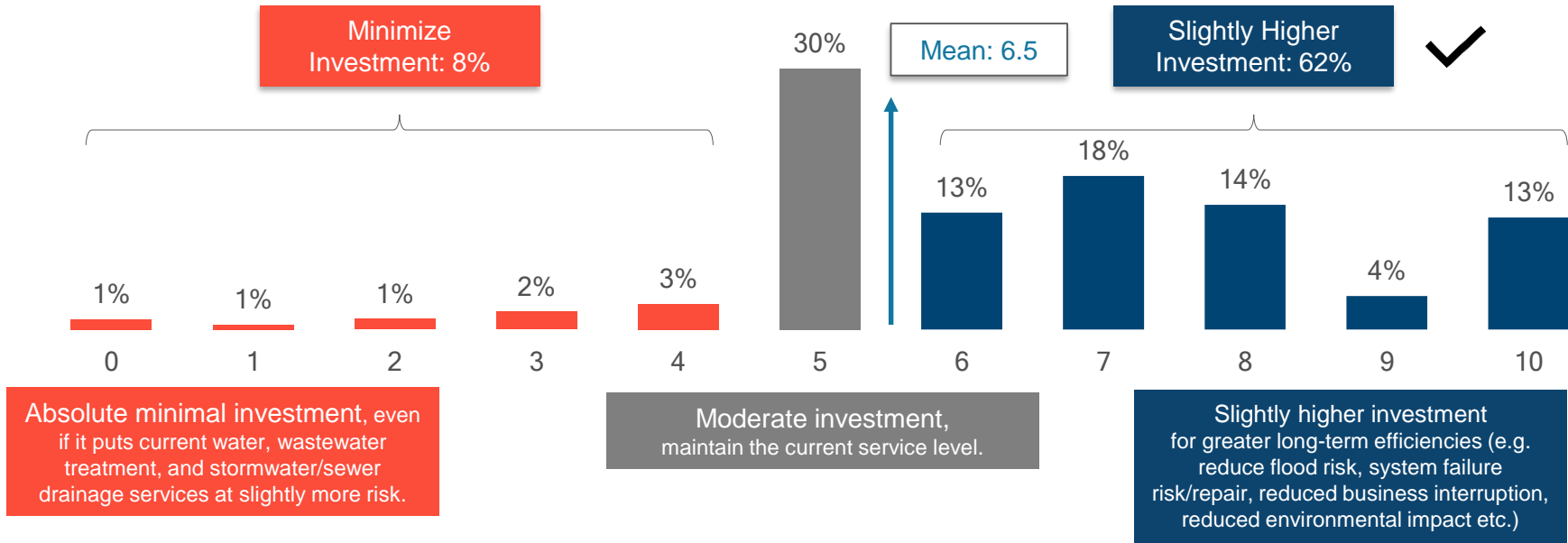
Base: All respondents: Residential (n=1,219)

PS2. How do you think rates for wastewater and drainage services have changed over the past two years?

The majority of Edmontonians agree with slightly higher investment in services to allow for longer-term benefits and efficiencies (62%)

Or, at the very least, maintain status quo (30%). Less than one in ten want to minimize investment.

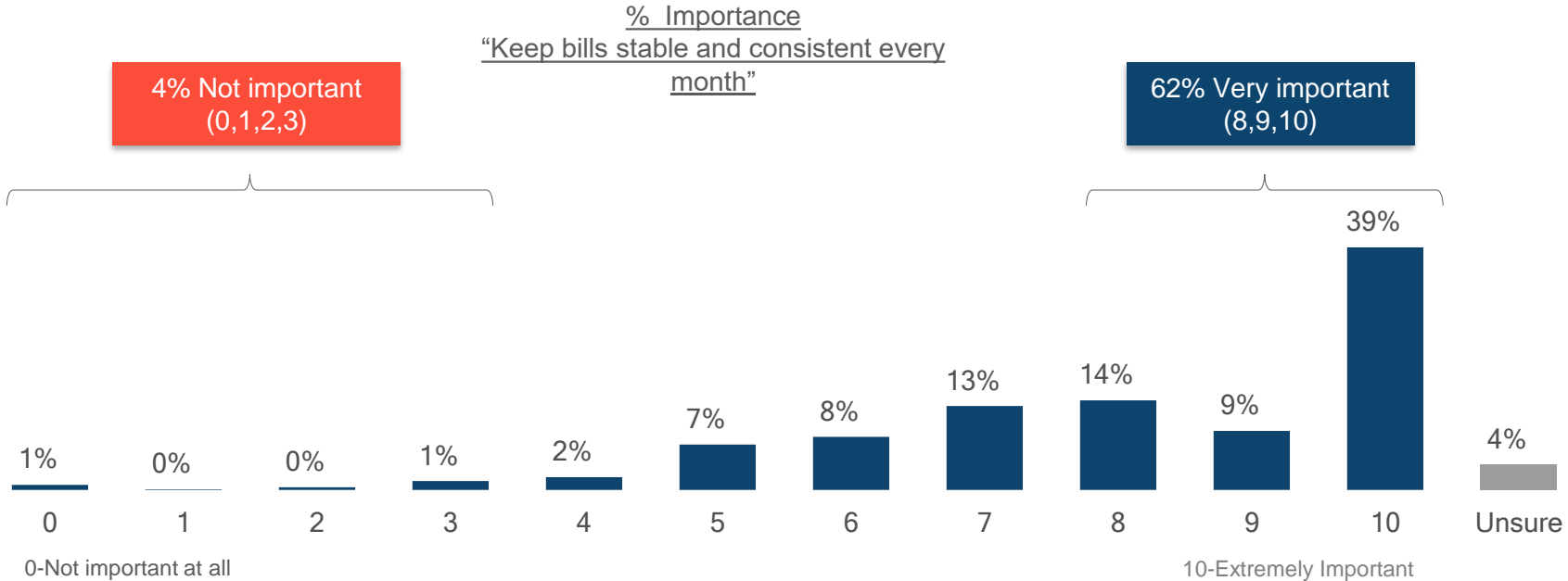
Personal Position on Investment Scale



Base: All respondents: Residential (n=1,219)

PS3. Wastewater treatment and stormwater and sewer services require ongoing investment. Some recent investments have reduced odour in the system and helped prevent neighbourhood flooding. Looking ahead to the next several years, in principle, where would you position yourself on the following investment scale?

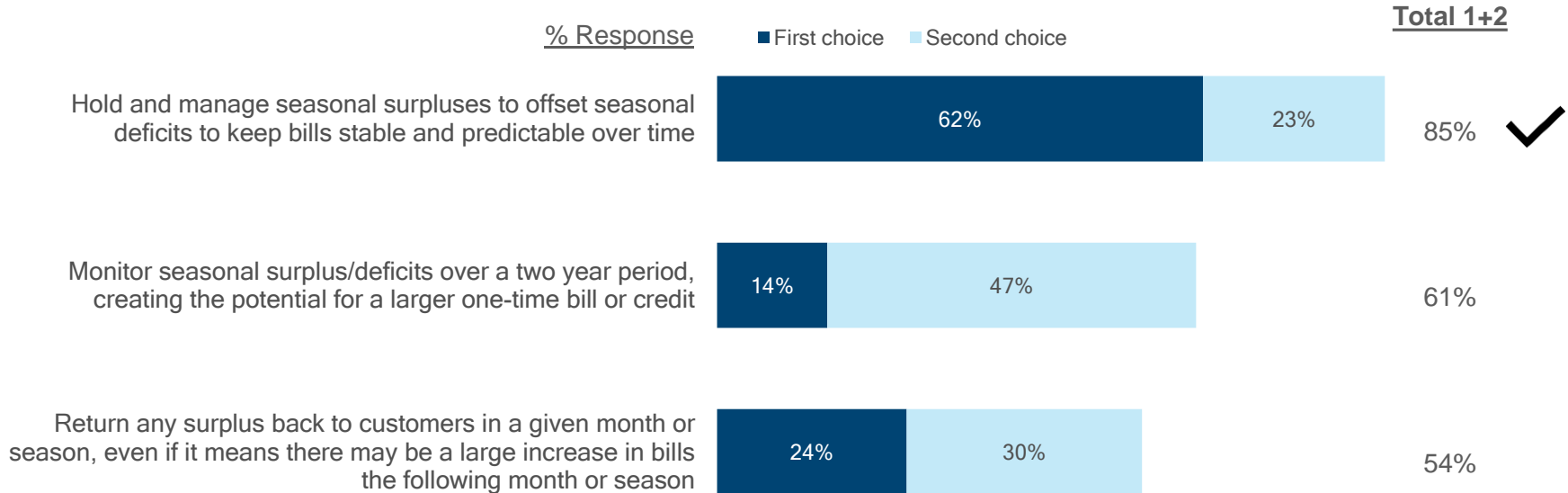
The majority of Edmontonians place a high level of importance on keeping bills “stable and consistent every month”



Base: All respondents: Residential (n=1,219)

PS4. The cost of managing stormwater can change from month to month, based on things like weather and the amount of rainfall. On a scale of 1-10, how important is it to you that EPCOR tries to keep bills stable and consistent every month?

Managing a surplus to offset increases and maintain stable billing is the clear preferred approach to manage fluctuations in cost.

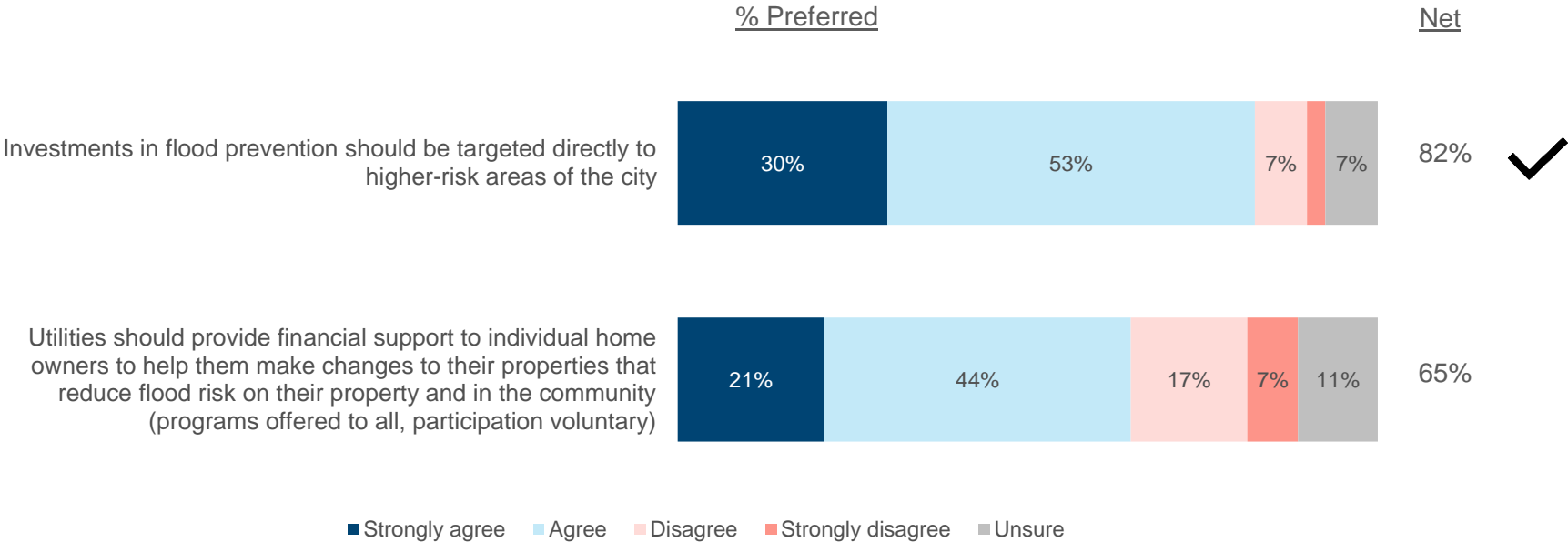


Those under 35 prefer more frequent rebates, whereas those over 55 prefer the option of offsetting with a surplus.

Base: All respondents: Residential (n=1,219)

PS5. Because the cost to manage stormwater can change based on weather, EPCOR could potentially see billing surpluses or deficits in a given season. How would you prefer EPCOR manage this in terms of your bill? Please choose your first choice by putting a 1 beside your most preferred answer, and second choice by putting a 2 beside your second most preferred answer.

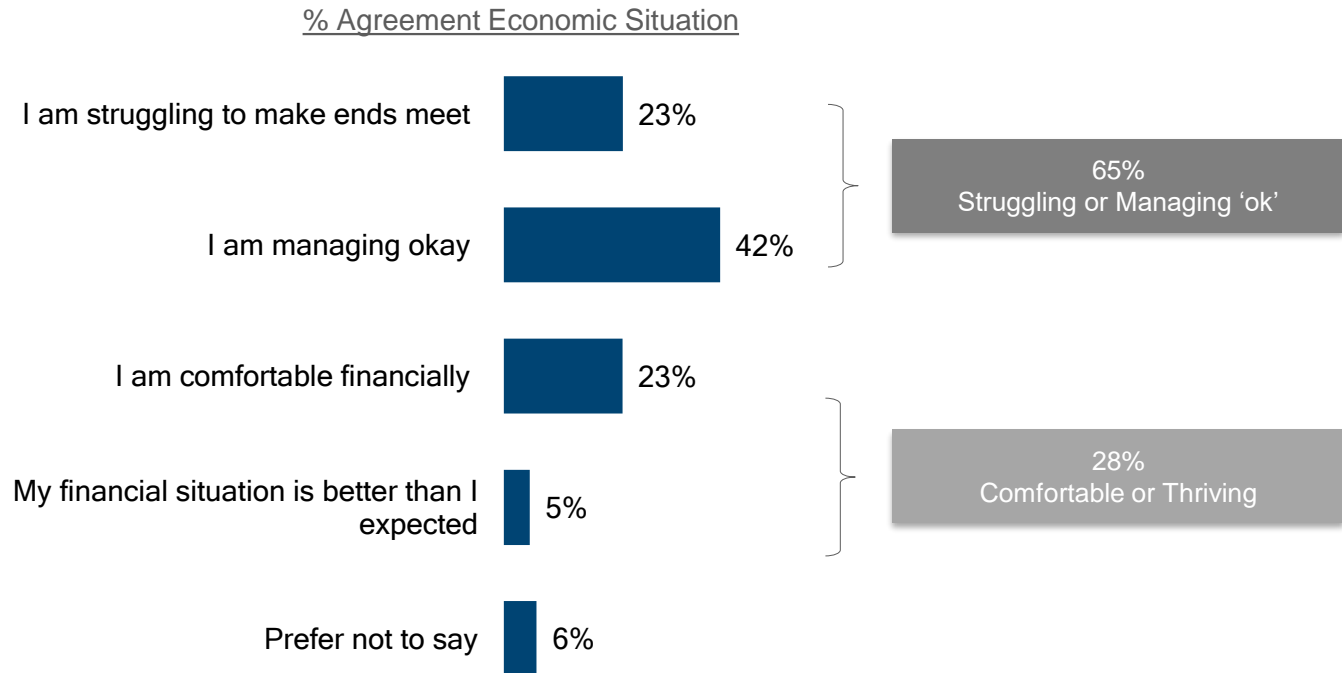
There is more support for managing flood risk mitigation by focusing on high-risk areas of the city (targeted) vs. offering incentives for homeowners (general), though there is overall support for both concepts



Base: All respondents: Residential (n=1,219)

PS6. There are different ways utilities can invest money to help reduce the risk of flooding in communities and homes. Two opportunity areas are indicated below. How much do you agree with each?

Economic comfort shows modest recovery vis. the pandemic lock down period (when asked last), though it indicates a community that is still 'managing' vs. thriving.

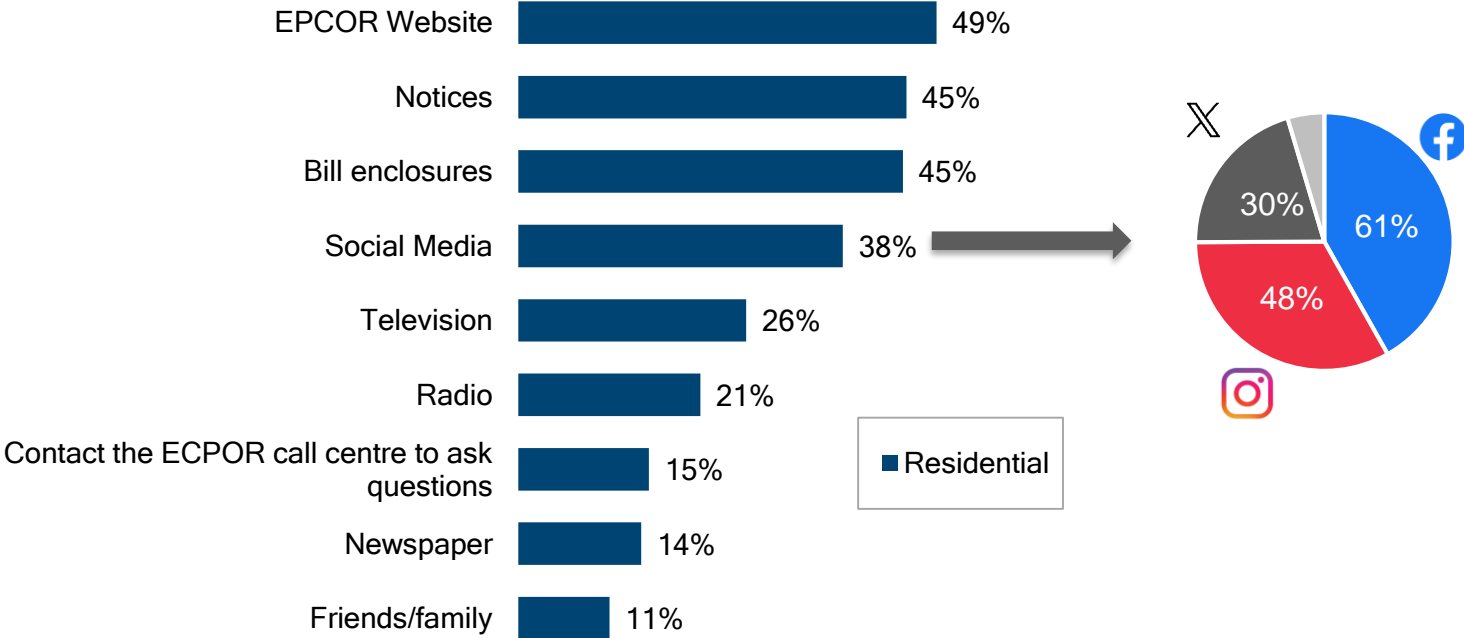


Detailed Results

Information Gathering

Most residents prefer to get information from EPCOR through the website, bill enclosures, and notices.

Preferred Source of Information About EPCOR



Base: All respondents: Residential (n=1,219)

Q14. Where do you prefer to receive information about wastewater treatment and drainage utility services? Please select all that apply.

Q14A. Which social media channel is preferred?



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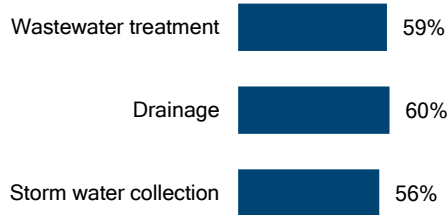
Detailed Findings: Multi Residential Customers

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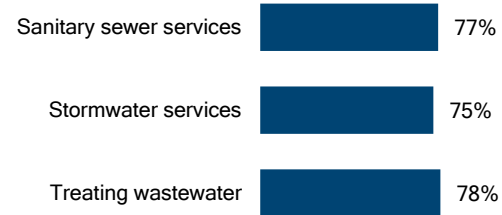


Multi-Residential customers are aware EPCOR supplies their water services, with three-quarters satisfied.

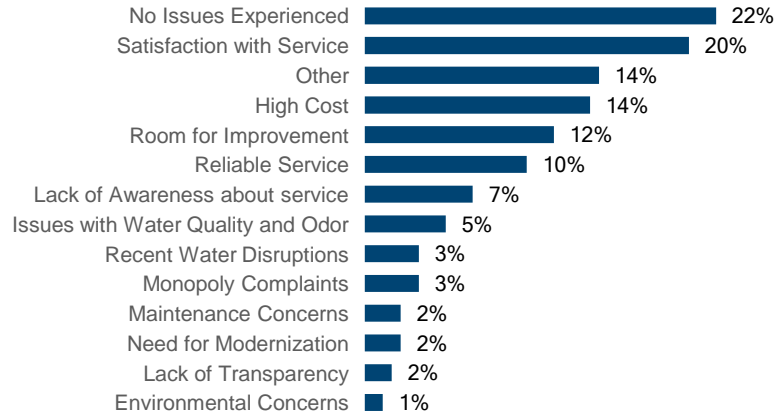
Responsibility of EPCOR (unaided)



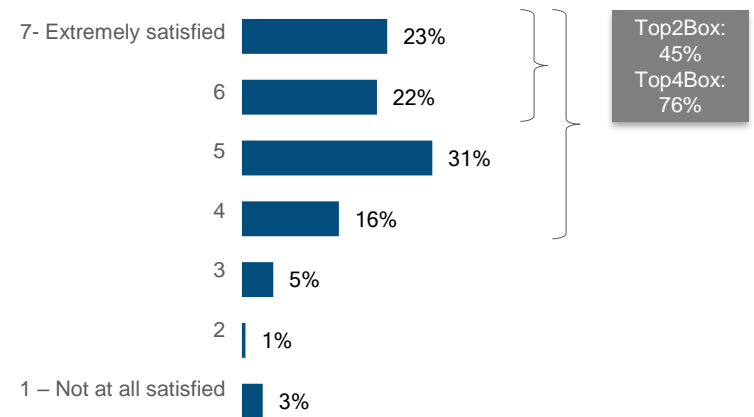
Responsibility of EPCOR (aided)



Reason for Satisfaction Rating

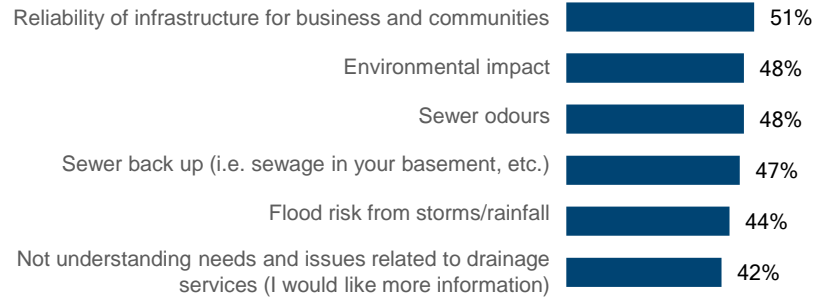


Overall Satisfaction with Water Services

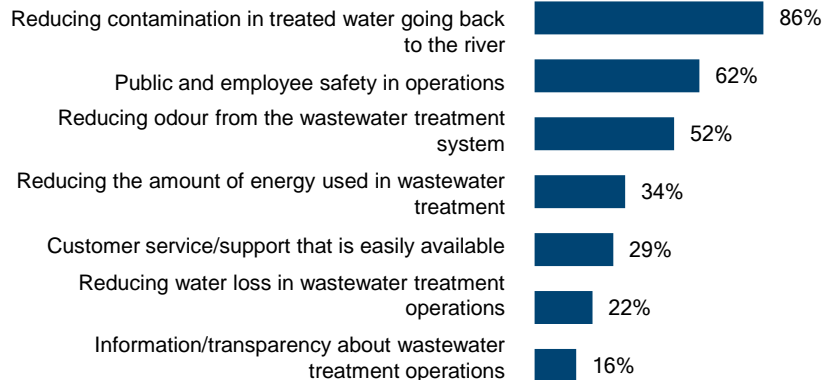


Multi-residential customers are most concerned with flood risk, followed by sewer back up, and infrastructure reliability.

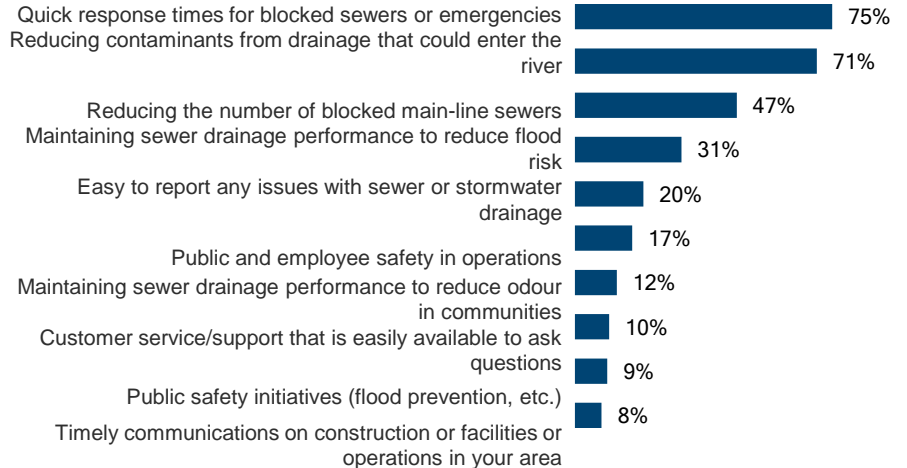
Community Characteristics Rating



Wastewater Considerations



Drainage Considerations





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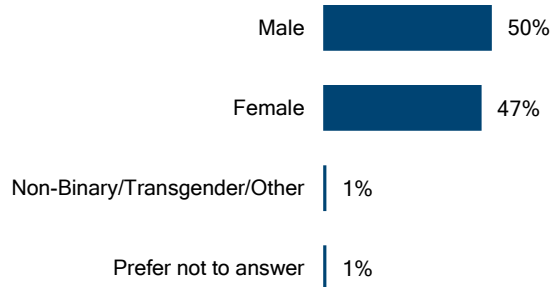
Demographics

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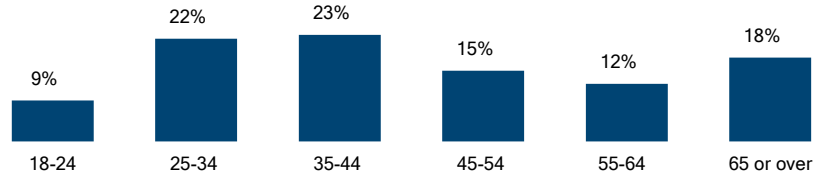


Demographics

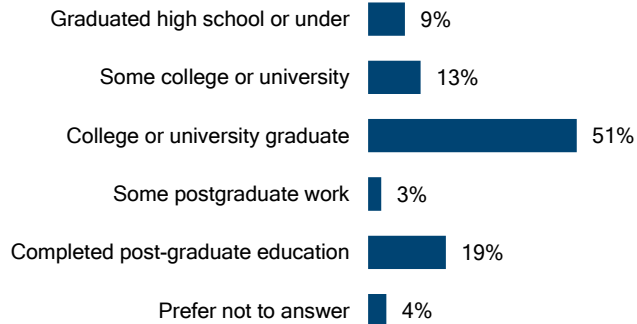
Gender



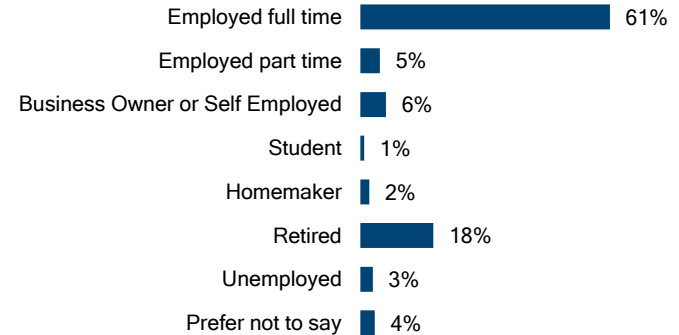
Age



Education

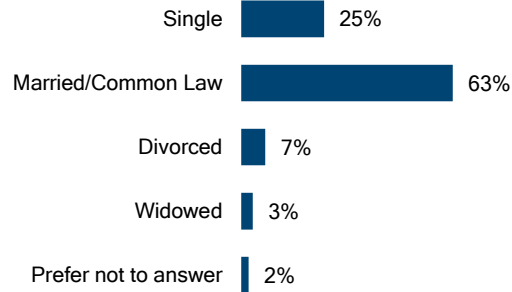


Employment Status

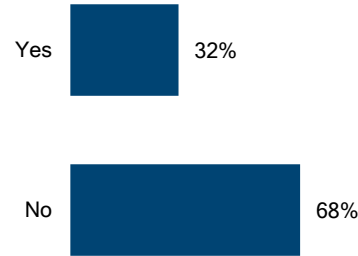


Demographics, continued

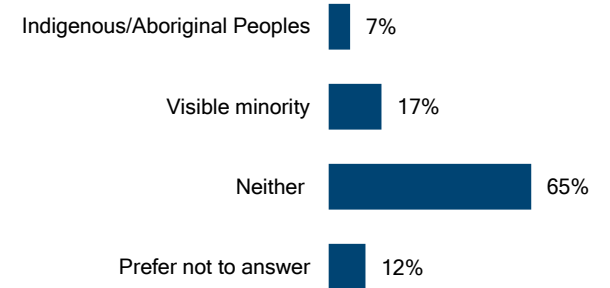
Marital Status



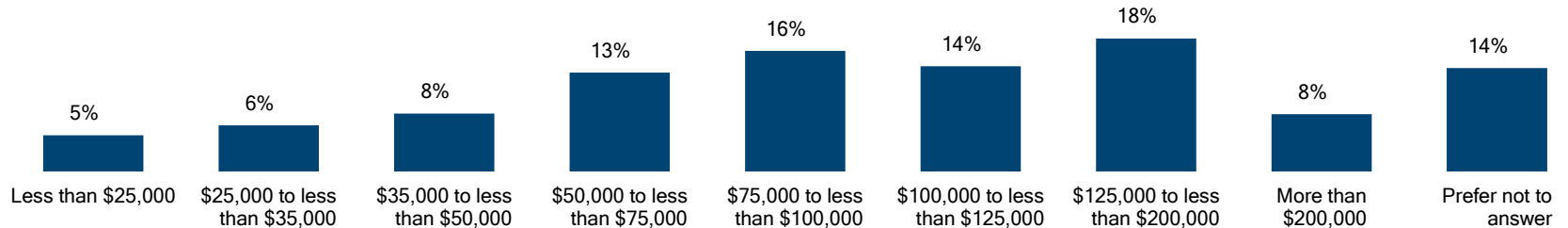
Children in Household



Self Classification

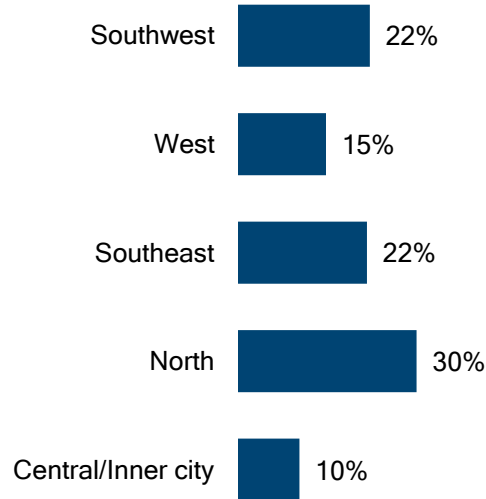


Household Income

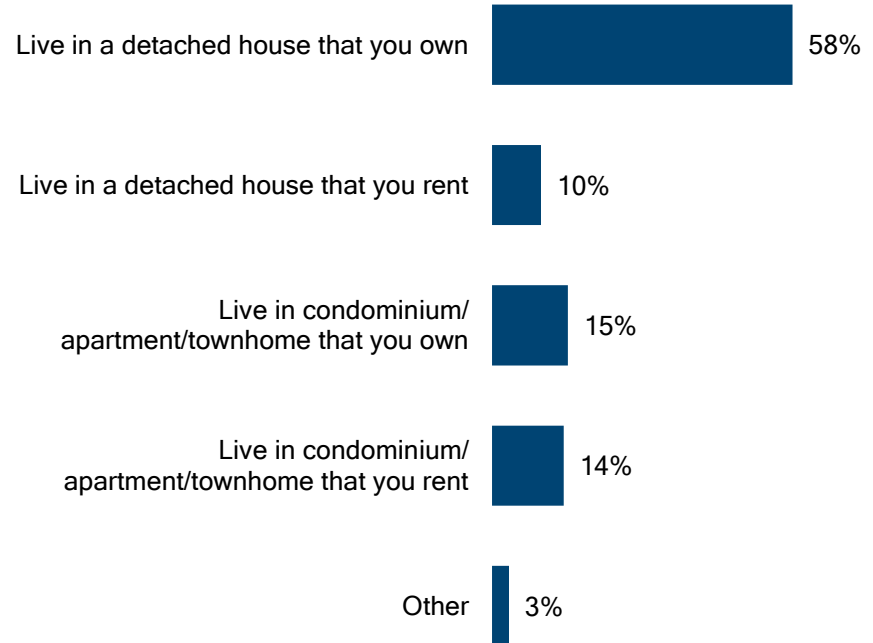


Demographics, continued

Area of Edmonton



Type of Dwelling



Base: All respondents: Residential (n=1,219), Multi-Residential (n=21*)

*Caution: Small sample size

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Understanding people. It's what we do.



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EPCOR WWC & WWT PBR 2024 Public Consultation

Edmonton Commercial and
Multi-residential Operators
Quantitative Survey Results

May 24, 2024

**Stone —
Olafson**





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- 3 Background
- 4 PBR Consultation: Objectives
- 6 Methodology
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Background

EPCOR Water Services Inc. is regulated by City Council in accordance with their Performance Based Regulation (PBR) plan. The purpose of this type of regulatory framework is to create incentives for operators to improve their efficiency, and to focus on both price (rates) and quality of service in areas that are important to stakeholders. As Wastewater Collection (WWC) and Wastewater Treatment (WWT) utilities prepares for PBR renewal, they are conducting customer engagement as part of this process to learn how important their current areas of performance are to stakeholders as well as uncover any other (new or unknown) areas that that should be part of the plan. Ultimately, the PBR application will include recommended operational and capital programs, performance measures and rates, in a way that's informed by the customer engagement process.

The goals of customer engagement are to:

- Have input to inform policy choices, priority-setting for operations and capital programs, performance measurement and rate design;
- Provide commercial customer with opportunities to ask questions, express concerns and raise issues with respect to the PBR renewal and their utility services;

- Maintain positive and productive relationships with key audience and customer throughout the development and implementation of the PBR application; and
- Report on how their feedback was used in the PBR application.
- Maintain positive and productive relationships with the key decision makers and stakeholders on the PBR development and implementation
- Report back to stakeholders as the PBR renewal process progresses on how their feedback was used by EPCOR
- Help inform communications and campaigns to educate customers on their water & wastewater utilities.

EPCOR is seeking input on four key areas;

- Values
- Performance Priorities
- Cost and Risk Sharing
- Rates

PBR Consultation: Objectives

This phase of the EPCOR PBR study is an online survey with EPCOR decision maker customers including over-strength small business and commercial customers.

The objectives of this study are:

- To understand values & high-level performance areas
- Identify overarching and most sensitive areas of how EPCOR performs that matters most
- Gather feedback on existing or proposed broad areas of performance
- Early analysis of rate sensitivity
- What to do with the information: Data will inform EPCOR with key areas of focus for more detailed engagement, support the prioritization of focus areas, and validate and/or refine performance measures (weighting and categories)

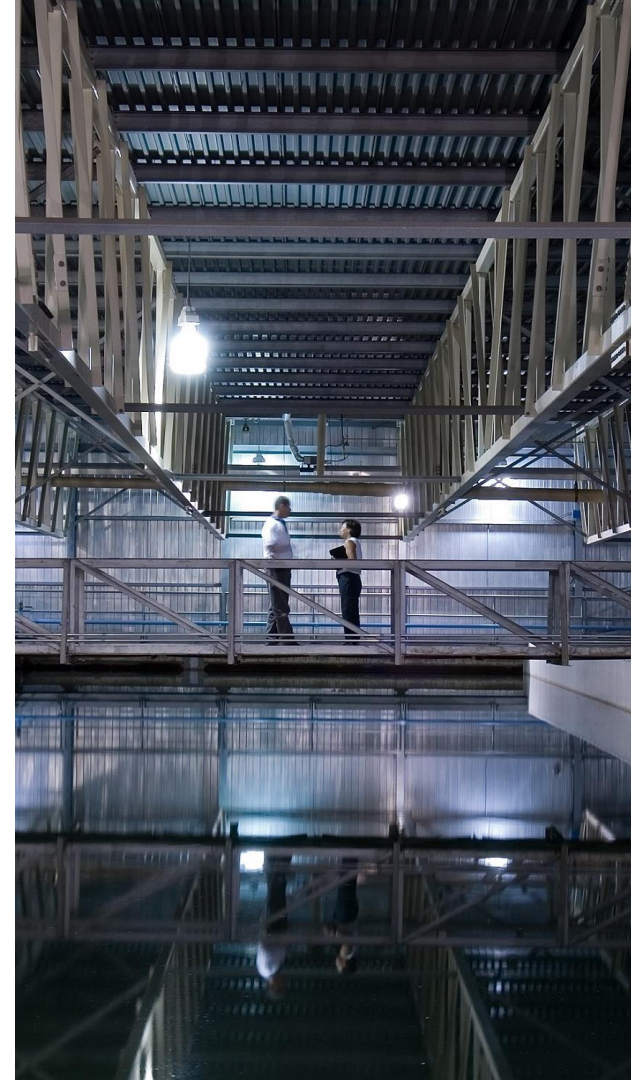


Methodology

Stone-Olafson conducted an online survey among a sample of existing commercial customers, including large water users, overstrength, and stormwater fees.

A total of $n=41$ fully completed surveys were retained in our analysis following a four-part data cleaning process. Of this, 76% of respondents were multi-residential operators while the remaining 26% were *other* commercial customers.

The data was collected between March 3 and 24th, 2024.



The story on one page...

- **EPCOR awareness is high in Edmonton**, with 88% indicating EPCOR WWT services, 85% in sanitary sewer services and 83% in stormwater services.
- **Customers remain satisfied with EPCOR services** (52% high satisfaction, 79% overall satisfaction), **WWT and WWC services are rated higher with 94% overall satisfaction.**
- **Cost is the main reason that satisfaction levels have softened** with 46% indicating the cost for wastewater treatment is unfair, and 61% indicating sewer and drainage services are unfair.
- **Service costs have increased** with 59% of customers believing that these costs have increased beyond the level of inflation.
- **Despite cost concerns, commercial customers expect to continue an increase in investment to promote long-term efficiencies and system performance.** This demonstrates how important a well-functioning and predictable system is to commercial operators.
- **Top of mind concerns of Edmonton commercial customers** are *flood risks* and *sewer back up* with **30% very concerned with sewer backup.** Overall, not understanding needs and issues was the least concerning for customers.

PBR Priority Areas:

- **WWT** – Of the 7 priority areas tested, the top priorities for commercial customers and multi-residential operators are; reducing contaminants (#1), reducing odor from the wastewater treatment system (#2), customer service and support (#3), and information/transparency about operations (#4).
- **WWC 9** – Of the 10 priority areas tested, the top two priorities for WWC are; quick response times for blocked sewers and emergencies (#1), reducing the number of blocked main-line sewers **and** maintaining sewer drainage performance to reduce odor (both tied for #2), maintaining sewer drainage performance to reduce flood risk (#4).
- **The importance of predictable billing is high** with 71% indicating stable monthly billing is *very* important. The majority (74%) support managing seasonal surpluses to help offset higher service periods to keep billing stable.

What it means

1. EPCOR overall is coming under more scrutiny through inflationary times, though expectations of the commercial customers served remains consistent.

- Constituent priorities have held despite cost concerns. Commercial and multi-residential operators want to ensure the operational excellence to prevent river contamination, mitigate emergencies, and have quick response if issues occur.

2. While Edmonton commercial customers prioritize protection even if it means investment, the goal is long term *efficiency*.

- Note that for both WWT and WWC the combined view concerns and ranked priorities tells us that infrastructure and maintenance are of extreme importance, though when paired with the top-of-mind cost mitigation priorities, efficiency should be factored in. The goal of investment is creating long term efficiencies, sustained reliability, and consistency.

3. Consistency in cost/billing is particularly critical.

- Leaning towards investment in a financially challenged environment means Edmonton doesn't feel they can afford surprises. The significant majority want EPCOR to equalize costs in the background through managing seasonal surplus and deficits to help support during inflationary periods.

4. Rates/pricing should always be communicated in connection to supporting service reliability AND long - term efficiency.

- Customers want to know that efficiency and operational protection is the focus of any investment. It will be important that EPCOR acknowledges these values, and the long-term efficiencies/benefits that will be gained are clearly communicated with all projects.

5. Delivering service/support and access to information will ensure customers have the information they need when they need it.

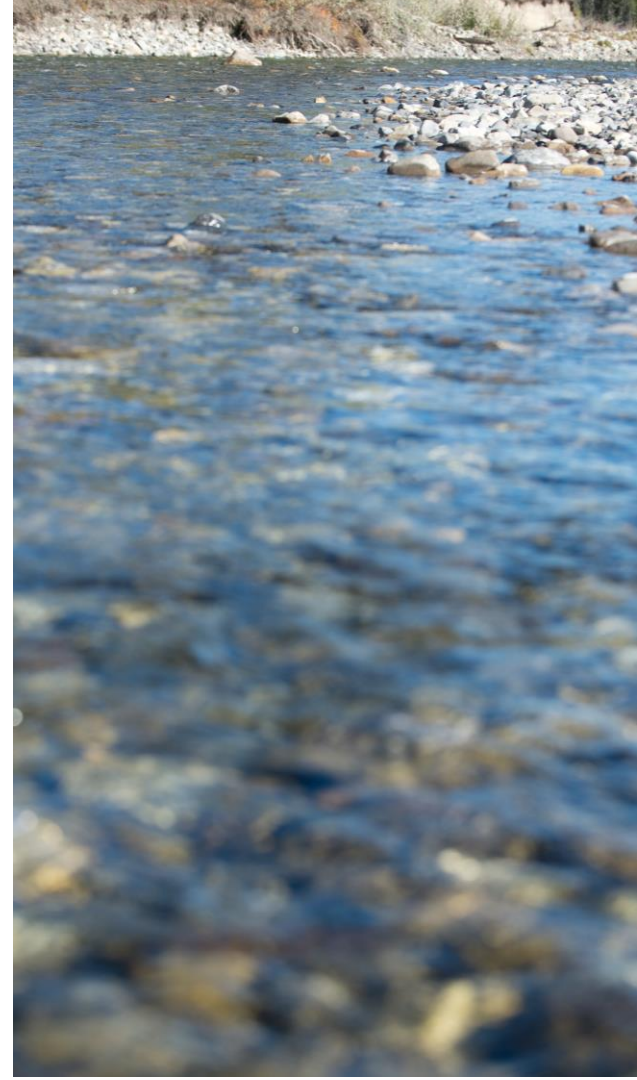
- Although not the highest rated priority, customers do find significant value in access to information. For commercial customers, the EPCOR website and notices are both equally valuable, with information contained within the bill enclosures preferred.



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Detailed Findings: Commercial & Multi- Residential Operators

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Detailed Results

THE CONTEXT

EPCOR Awareness, Reputation & Satisfaction



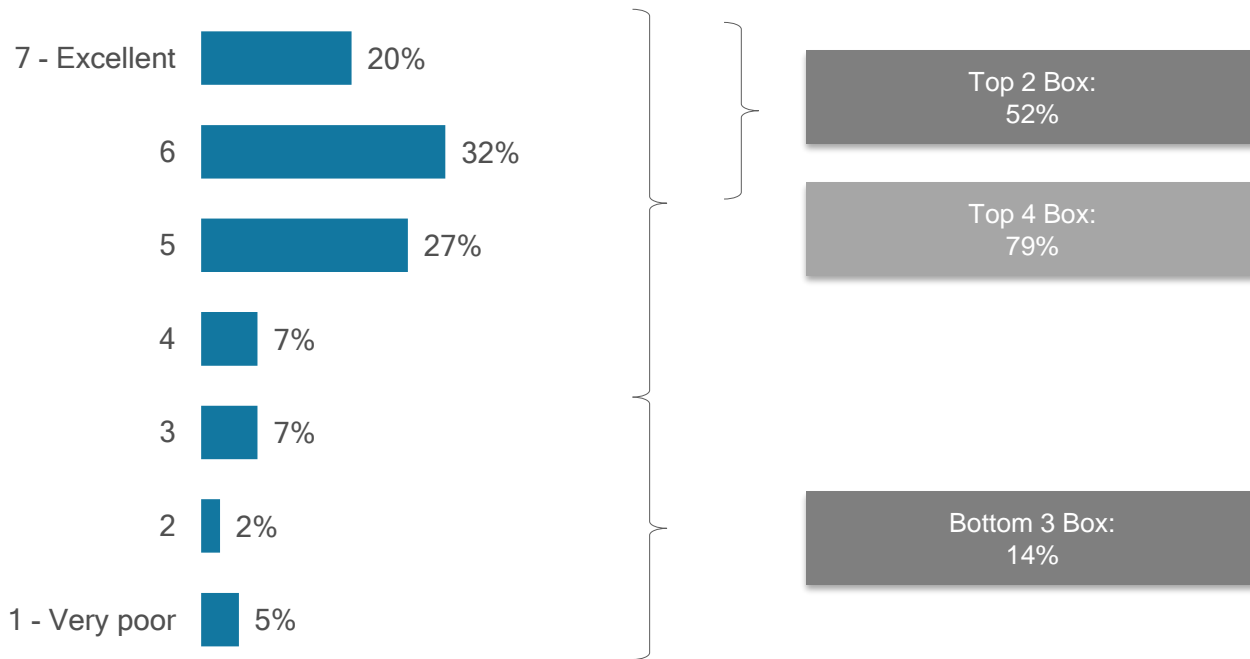
The context highlights:

- Awareness of EPCOR is high with the majority able to name EPCOR as the service provider of Wastewater Treatment (88%), Drainage Services (85%) and Storm Water Collection (83%).
- 79% of commercial customers are satisfied with their overall service (4-7 out of 7), and 52% very satisfied (6-7 out of 7).
- Satisfaction is even more positive when considering service specific to wastewater collection and treatment (4-7 out of 7) at 94%, and very satisfied (6-7 out of 7) at 52%.

Consistent with most satisfaction ratings, a lack of issues drives satisfaction (i.e. out of sight, out of mind), followed by good service and reliability.

More than half of Commercial and Multi-Residential Building Operators rate Edmonton’s utility services as excellent

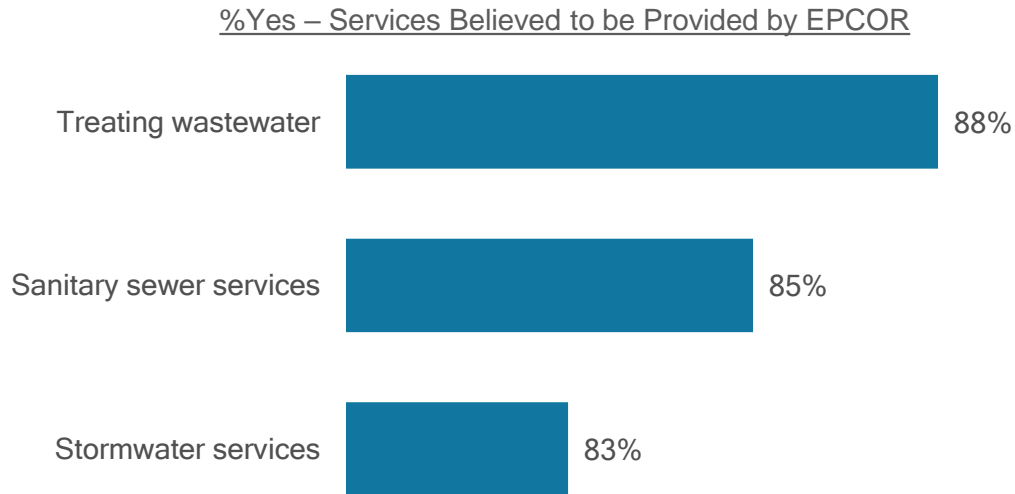
Overall Satisfaction with Utility Service in Edmonton



Base: All respondents: Commercial + Multi-Residential Building Operators (n=41)
 Q2. Thinking broadly, how would you rate the quality of utility services in Edmonton overall?

Awareness of EPCOR as the service provider is high.

More than 4 in 5 of EPCOR's commercial customer base are aware that EPCOR manages all wastewater treatment, drainage, and collection services for the community.

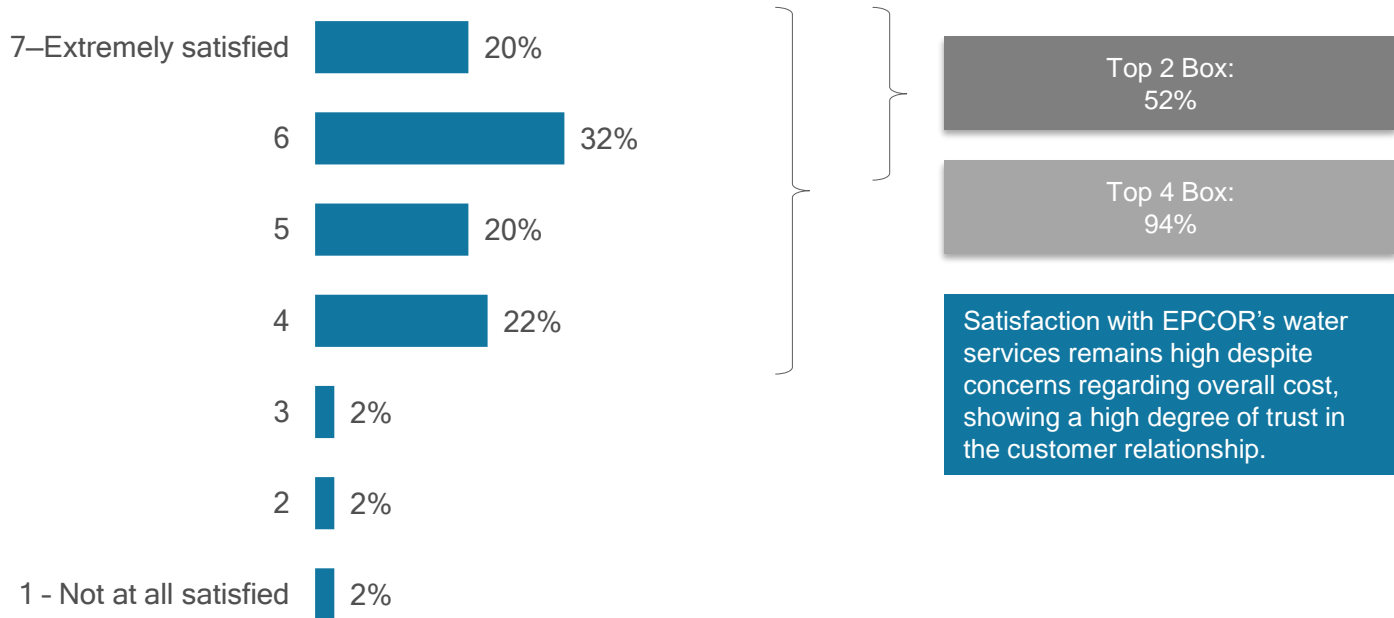


Base: All respondents: Commercial + Multi-Residential Building Operators (n=41)

Q6. To the best of your knowledge, is EPCOR responsible for providing these services in Edmonton?

The majority Commercial/Multi-Residential building operators (94%) are satisfied with EPCOR WWC and WWT Services, with 52% very satisfied (top 2 box).

Overall Satisfaction with EPCOR Water Services



Base: All respondents: Commercial + Multi-Residential Building Operators (n=41)

Q7. How would you rate your OVERALL satisfaction with your water, water treatment, and sewer services?



Detailed Results

Values, Concerns, & PBR Performance Areas



To validate PBR performance areas and weighting, we asked participants questions in **three different ways (below)**.



1. Top of mind concerns of multi-residential operators

This allowed us to explore customer's own language and any issues they felt were important about their water treatment, and drainage services that may not have been identified in the existing PBR.



2. Customer sensitivity pertaining to rate fluctuation, predictability, and investment

Determining how fluctuating rates have impacted customers over a two-year period and the importance of having stable and predictable bills each month. We also explored the importance of future investment and how customers believe those investments should be managed.

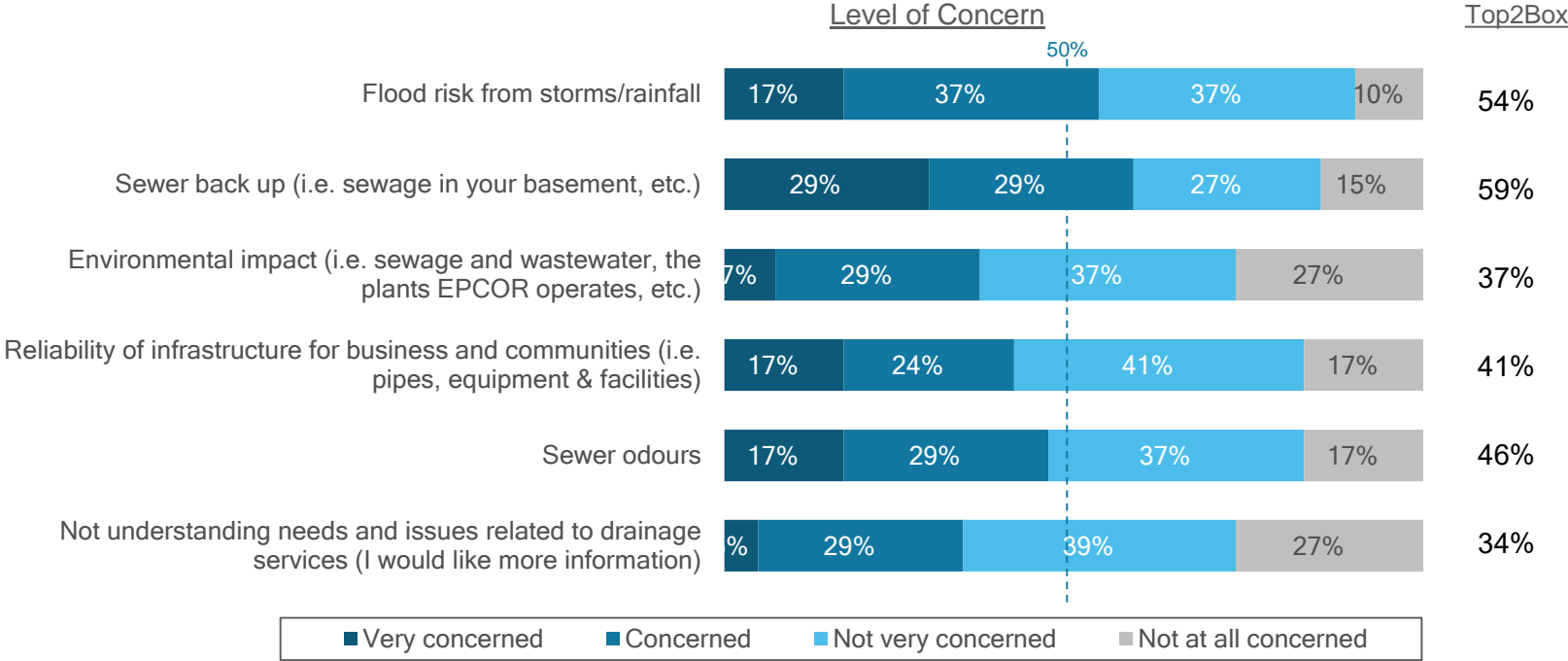


3. A sorting task of PBR performance areas and Thurstone analysis to identify *degree of importance*

Finally, customers were asked to conduct a ranking of potential future areas of performance for each line of business in terms of what mattered to them most.

This was followed up by a direct question asking if there are any other areas EPCOR should be considering.

Prompted: Flood risk and sewer backup are the greatest issues of concern to commercial and multi-residential respondents.



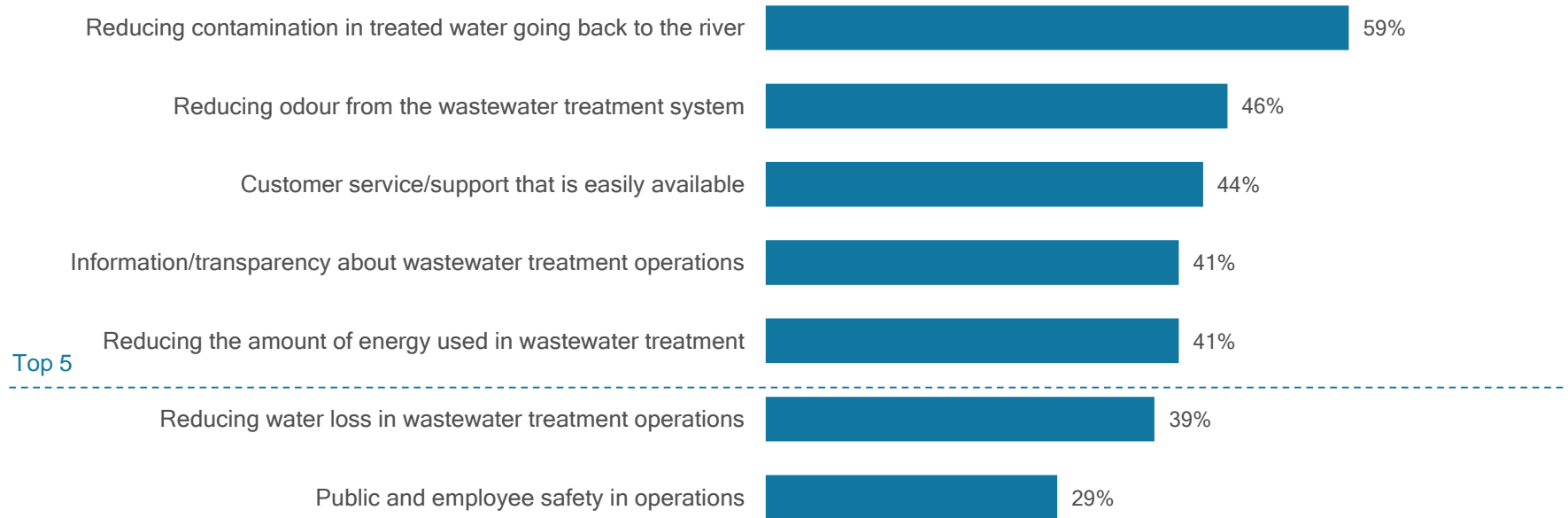
Base: All respondents: Commercial + Multi-Residential Building Operators (n=41)
 Q10. EPCOR provides wastewater treatment and drainage services, including sanitary sewer and stormwater, in the City of Edmonton. How concerned are you with the following in your neighbourhood?

WWT Priorities

Protecting the river, odour mitigation, and customer service/support access are top priorities for commercial and multi-residential operators.

Note: customer service and support is significantly higher in priority for commercial and multi-residential customers.

Priorities for Managing Water Treatment (% Top 3)



Top 5

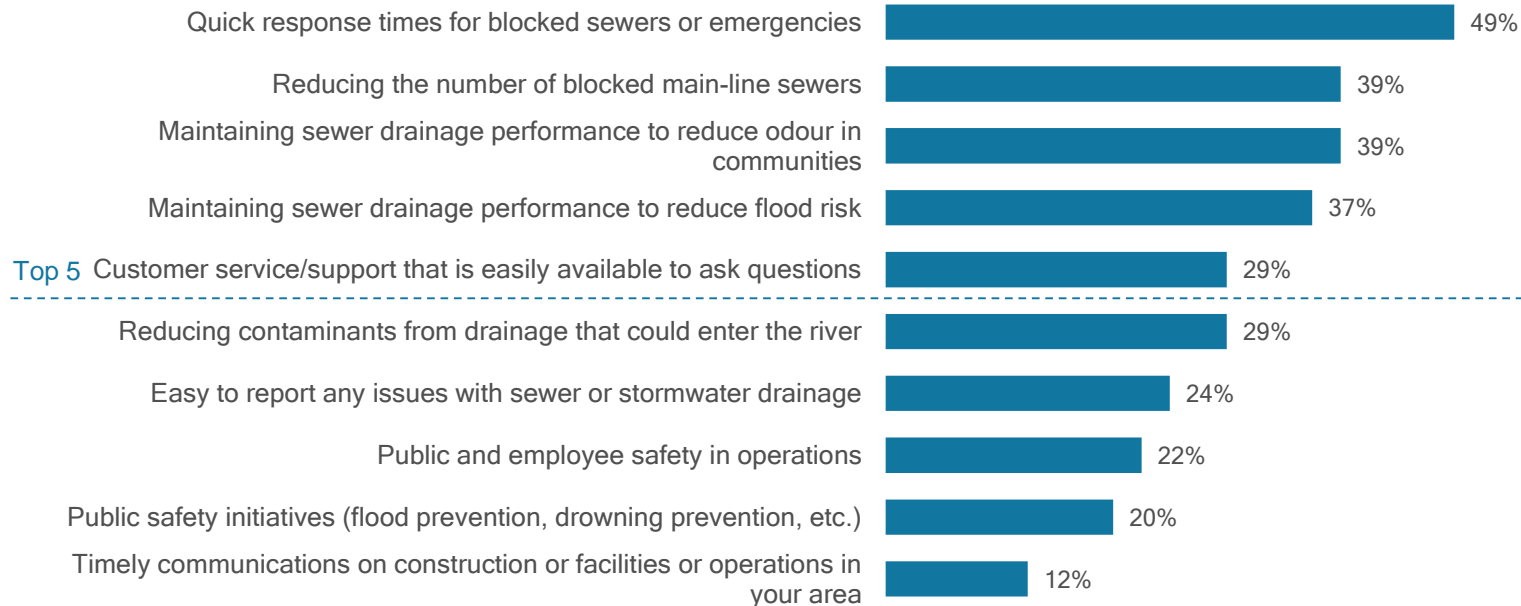
Base: All respondents: Commercial + Multi-Residential Building Operators (n=41)

Q11. The following is a list of considerations that operators look at when treating wastewater created by communities and businesses. We would like you to rank how important each one is to you personally, where 1 is most important to you, followed by 2, 3, etc. Please drag and drop the below into your preferred order.

WWC Priorities

Respondents are most concerned about *response times* for blocked sewers and emergencies and *reducing the number of blocked main-line sewars*

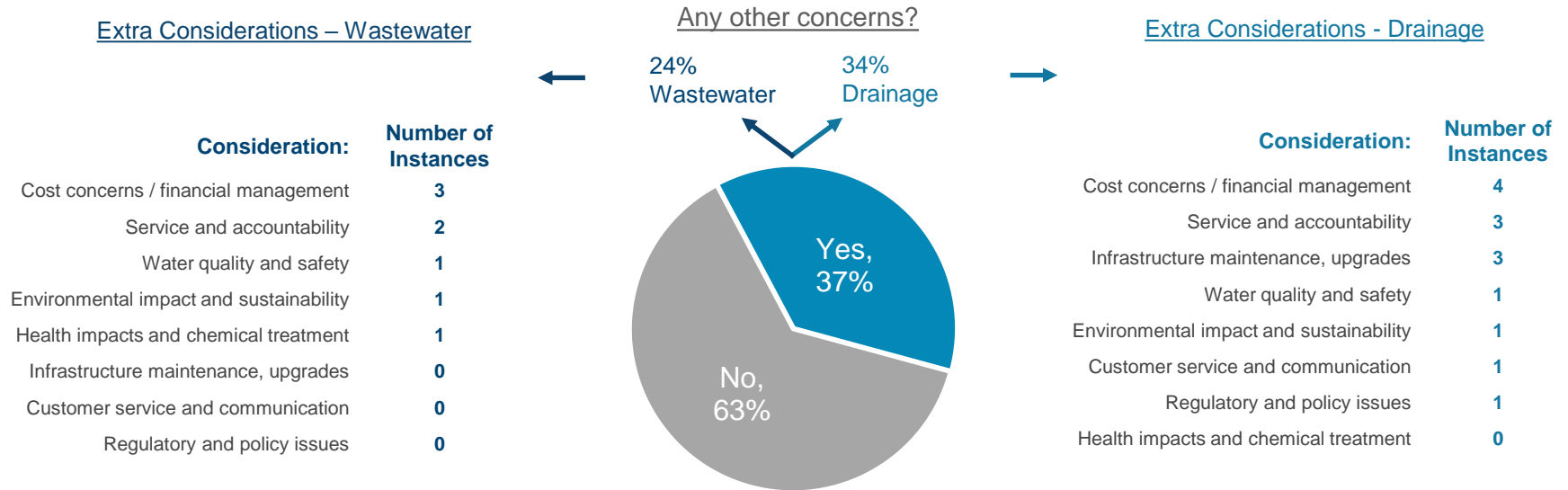
Priorities for Managing Sanitary Sewer & Stormwater Drainage (% Top 3)



Base: All respondents: Commercial + Multi-Residential Building Operators (n=41)

Q12. The following is a list of considerations that operators look at when managing sanitary sewer and stormwater drainage in communities. We would like you to rank how important each one is to you personally, where 1 is most important to you, followed by 2, 3, etc.

37% of respondents felt additional priorities should be considered, most indicating both for treatment and drainage. Cost and accountability considerations are most dominant in both cases



Base: Provided other considerations

Q13. Now that you have had a chance to think about your wastewater treatment, and stormwater and sewer drainage utilities, we would like to know what else (if anything) is important to you in how these services are managed that was not already mentioned. Do you have any other considerations you would like to suggest?

Detailed Results

Rate Sensitivity

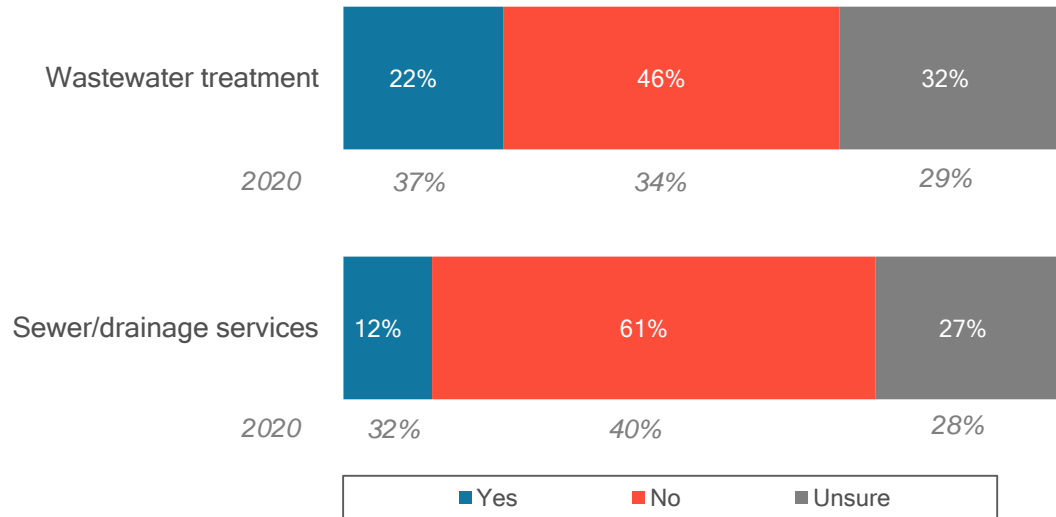


Rate Sensitivity

- More customers today indicate the rates they pay for WWC and WWT are unfair (46%) than fair (22%), while almost as many (32%) indicating they are unsure.
- Lower agreement with fair rates is high though this can be explained by the fact that commercial customers believe the cost of utilities have increased by more than the rate of inflation (59%)
- Despite that cost is the most significant concern, more respondents still feel investment for future protection of the infrastructure and efficiencies is worth the investment (63%) vs. status quo (26%) or reducing investment (11%).
- Resident operators also place a very high level of importance around predictability in billing (71%), and the vast majority (93%) would like EPCOR to “*Hold and manage seasonal surpluses to offset seasonal deficits to keep bills stable and predictable over time.*”

In 2024, the number of customers indicating rates are not fair for WWT and WWC is significantly higher than in 2020, with WWC being the most concerning.

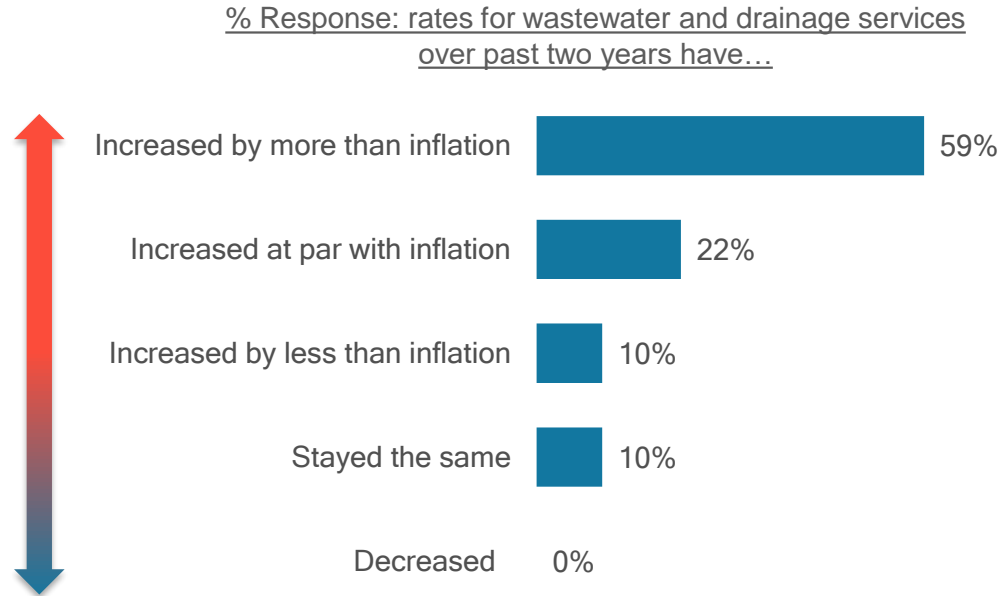
Detailed Breakdown: Fair Services
(Commercial / Multi-Residential Operators)



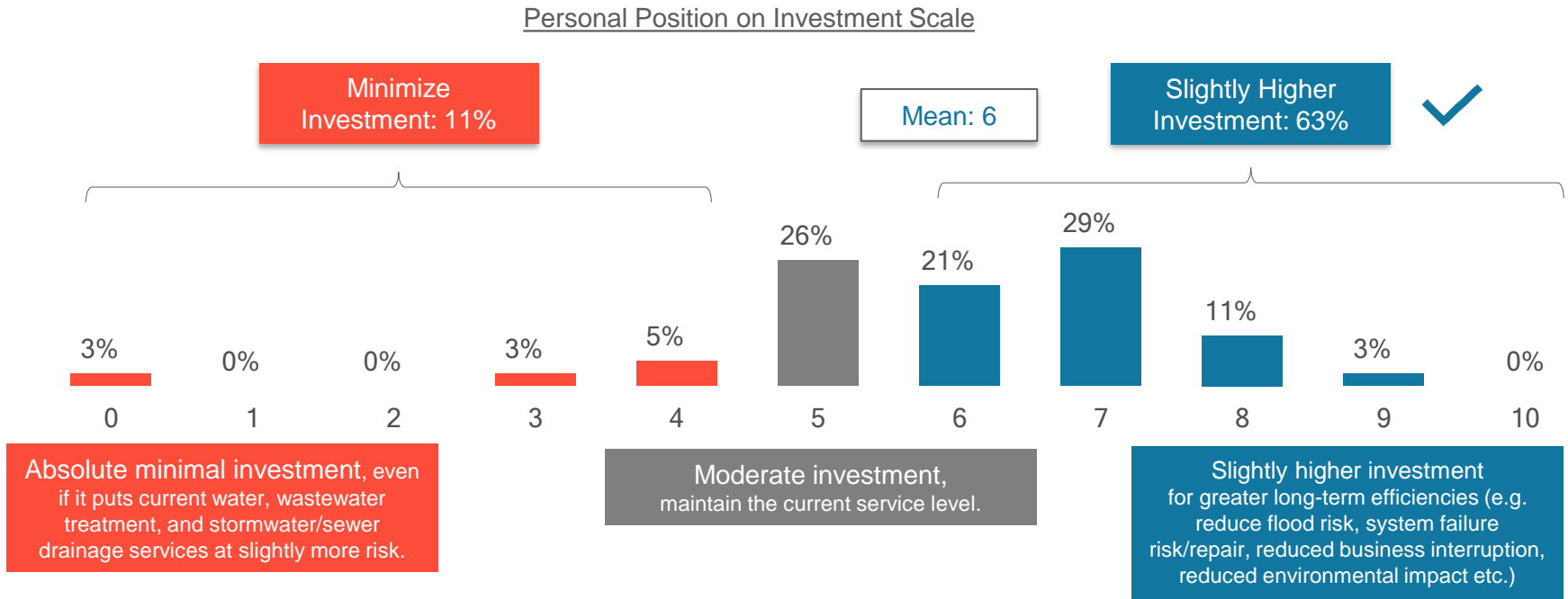
Base: All respondents: Commercial + Multi-Residential Building Operators (n=41)

PS1. The monthly rates charged for water supply, wastewater treatment, and sewer/drainage services are determined through bylaw principles and used to both operate and maintain/improve the system. In your opinion, is the rate you pay for these services today fair?

The strongest opinion is that rates have increased by more than inflation (59%).



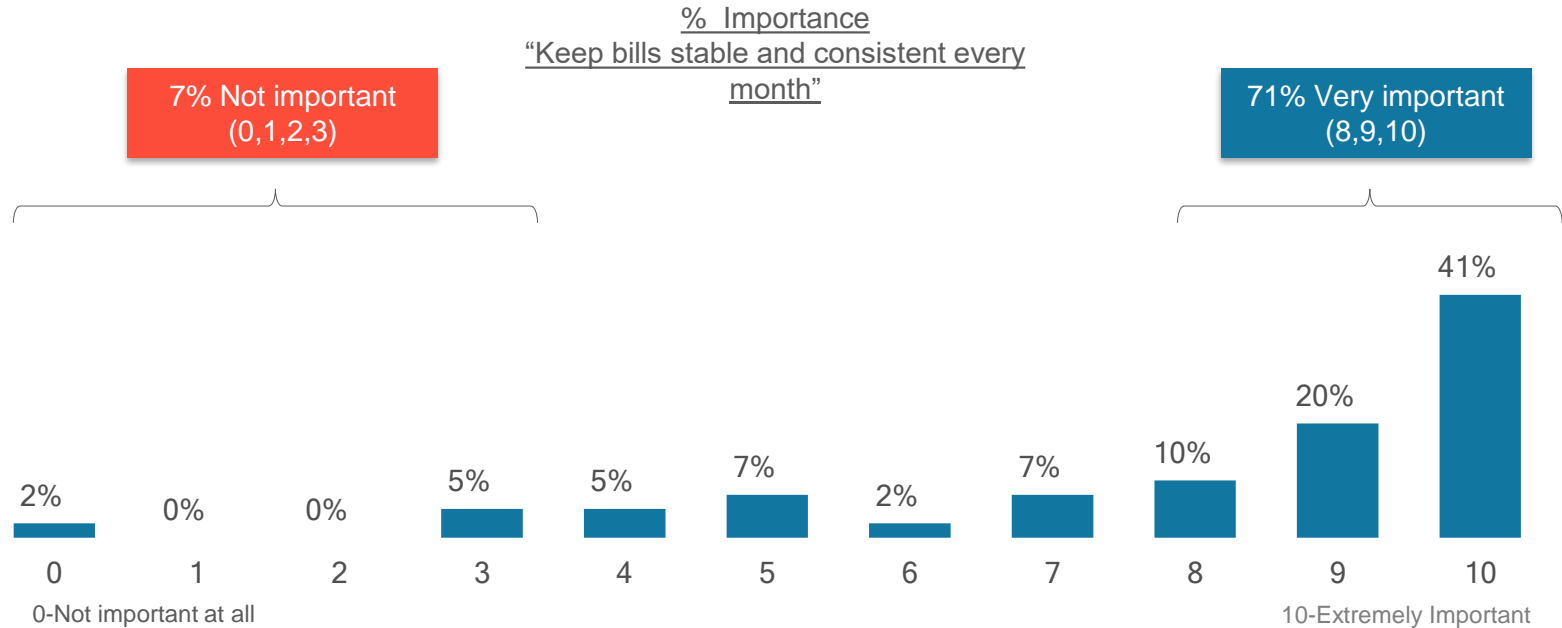
Commercial and multi-residential operators support slightly higher investment in services to allow for longer-term benefits and efficiencies (64%)



Base: All respondents: Commercial + Multi-Residential Building Operators (n=41)

PS3. Wastewater treatment and stormwater and sewer services require ongoing investment. Some recent investments have reduced odour in the system and helped prevent neighbourhood flooding. Looking ahead to the next several years, in principle, where would you position yourself on the following investment scale?

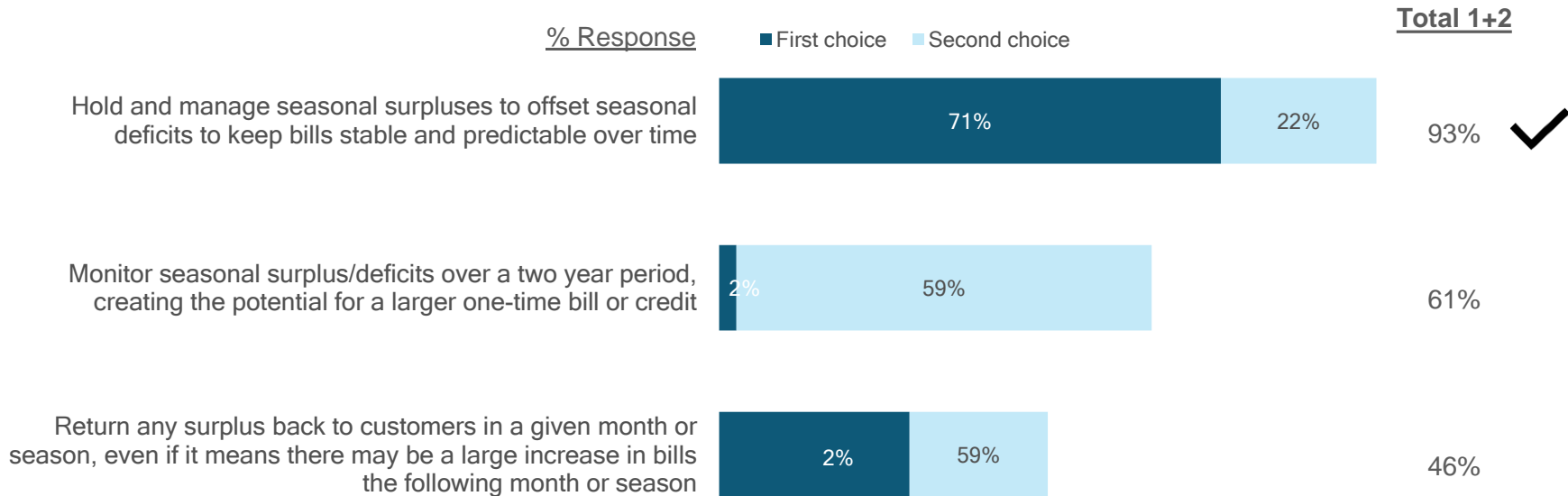
Commercial and multi-residential operators place a high level of importance on consistent and predictable billing.



Base: All respondents: Commercial + Multi-Residential Building Operators (n=41)

PS4. The cost of managing stormwater can change from month to month, based on things like weather and the amount of rainfall. On a scale of 1-10, how important is it to you that EPCOR tries to keep bills stable and consistent every month?

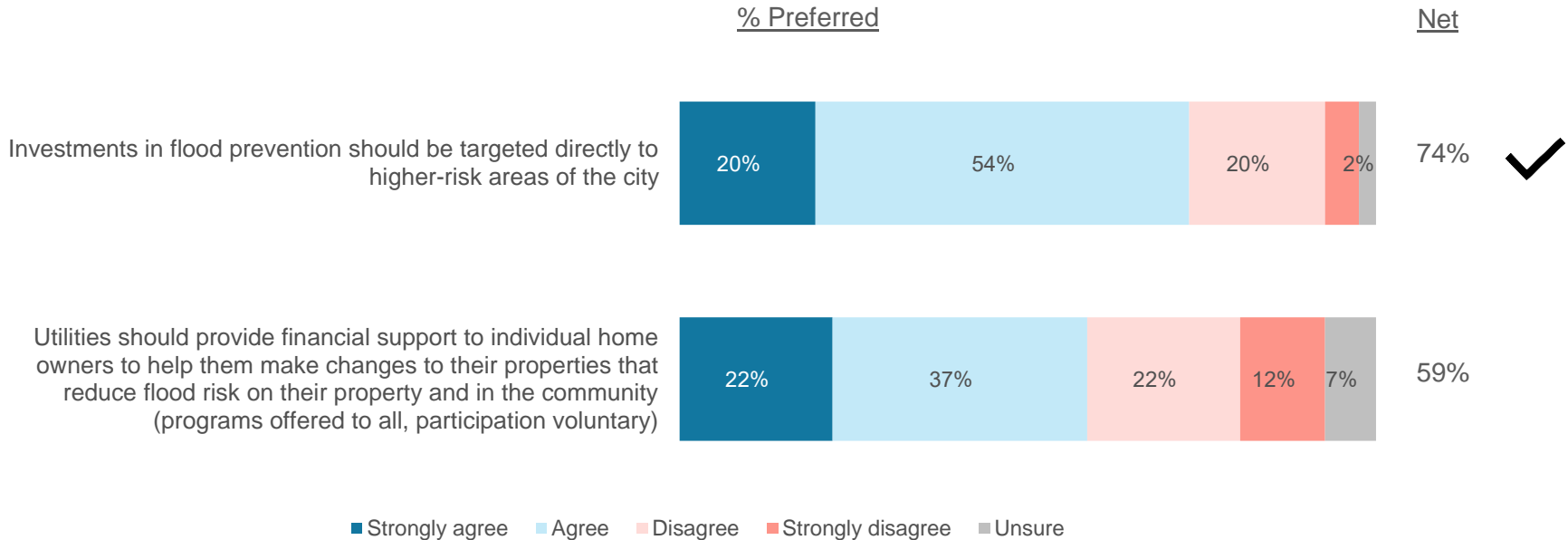
Similar to residential customers, commercial and multi-residential operators have a clear preference for EPCOR holding seasonal surpluses to offset seasonal deficits over time



Those under 35 prefer more frequent rebates, whereas those over 55 prefer the option of offsetting with a surplus.

Base: All respondents: Commercial + Multi-Residential Building Operators (n=41)
 PS5. Because the cost to manage stormwater can change based on weather, EPCOR could potentially see billing surpluses or deficits in a given season. How would you prefer EPCOR manage this in terms of your bill? Please choose your first choice by putting a 1 beside your most preferred answer, and second choice by putting a 2 beside your second most preferred answer.

There is more support for flood risk mitigation by focusing on high-risk areas of the city (targeted) vs. offering incentives for homeowners (general), though there is overall support for both concepts



Base: All respondents: Commercial + Multi-Residential Building Operators (n=41)

PS6. There are different ways utilities can invest money to help reduce the risk of flooding in communities and homes. Two opportunity areas are indicated below. How much do you agree with each?

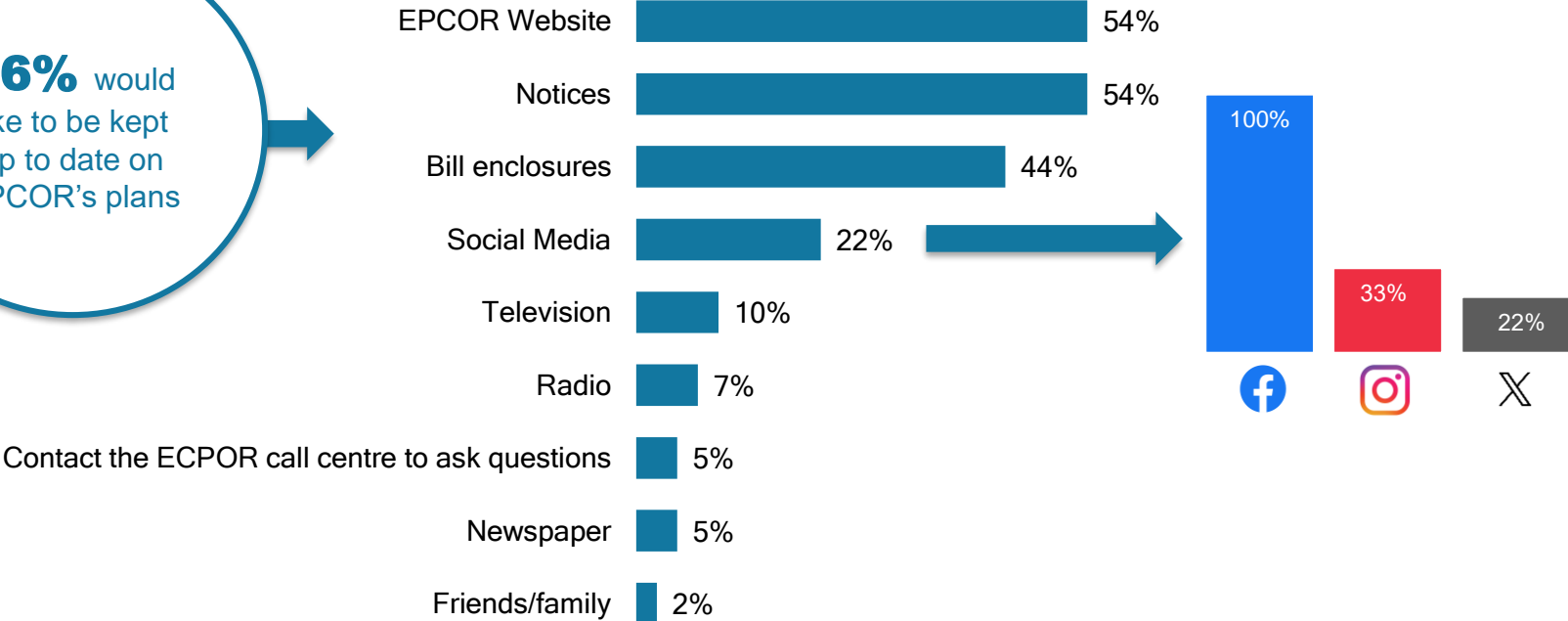
Detailed Results

Information Gathering

The EPCOR website and/or notices are the most effective way to reach commercial and multi-residential operators

56% would like to be kept up to date on EPCOR's plans

Preferred Source of Information About EPCOR



Base: All respondents: Commercial + Multi-Residential Building Operators (n=41)
 Q14. Where do you prefer to receive information about wastewater treatment and drainage utility services? Please select all that apply.
 Q14A. Which social media channel is preferred?



PROVIDING MORE

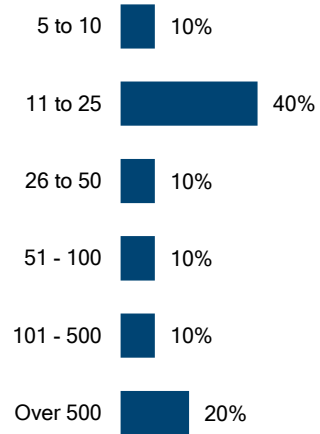
Customer Profile

**Stone —
Olafson**

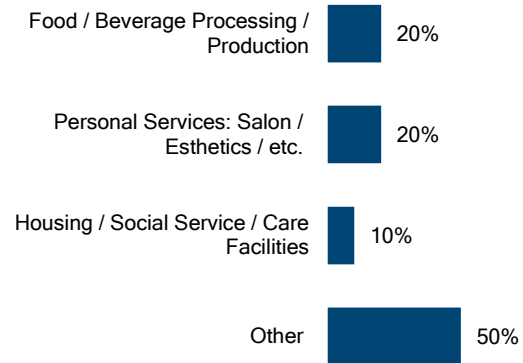


Customer Profile

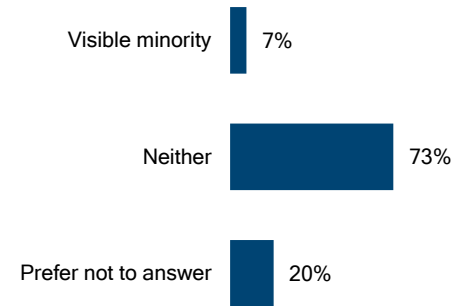
Company Size



Industry



Diversity



Stone — Olafson

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Understanding people. It's what we do.