

NOTICE OF AN APPLICATION BY EPCOR WATER (WEST) INC. PROPOSING TO INCREASE RATES EFFECTIVE JANUARY 1, 2015

Notice is hereby given that EPCOR Water (West) Inc. (EWW) has filed an application to the Deputy Comptroller of Water Rights for approval under the provisions of the Water Utility Act and the Utilities Commission Act of rates and charges for the period 2015-2017 and certain revisions to the Terms and Conditions of Service contained in Water Tariff No. 3. In its application, EWW requests approval of adjustments to its water rates to recover EWW's forecast revenue requirements for the 2015-2017 period. The proposed adjustments to rates are required to enable the Utility to carry out its scheduled operating and capital programs for the 2015-2017 period. These operating activities and capital investment projects will allow the Utility to continue providing safe and reliable water service to its customers. The primary drivers for the proposed rate increases are: improving water source reliability and meeting customer demand requirements; replacing aging infrastructure; modest customer growth; and declining consumption per customer.

Under Order No. 2408, dated January 12, 2015, the Deputy Comptroller of Water Rights has approved the 2015 rates to become effective on January 1, 2015 on an interim and refundable basis. Once the final rates for 2015 are determined through a future Order from the Deputy Comptroller, EWW will adjust customer bills for any differences between these interim rates and the final approved rates for 2015. Rate riders applied in 2015, 2016 and 2017 are also proposed to recover outstanding balances in EWW's deferral accounts for the 2012-2014 period. These deferral accounts were approved by Order No. 2310 dated March 20, 2012.

For a customer consuming 20 m³ per month, the impact of adjustments to the proposed rates and rate riders results is approximately \$8.50/month increase in 2015, approximately \$5.75/month increase in 2016 and approximately \$6.50/month increase in 2017. A summary of the proposed rates and rate riders for 2015-2017 is provided here.

PROPOSED METERED RATES FOR 2012-2014

RESIDENTIAL UNITS – MONTHLY CHARGE

Note: Residential units billed quarterly

	Existing Rates	Proposed Rates		
	2014	2015	2016	2017
First 15 cubic meters plus	\$36.13	\$40.45	\$45.29	\$50.70
Rate rider	1.37	4.14	4.11	4.07
For each cubic meter over 15 cubic meters plus	1.50	1.68	1.88	2.11
Rate rider	0.06	0.17	0.17	0.17

MULTI-RESIDENTIAL UNITS – MONTHLY CHARGE PER UNIT

Note: Multi-residential units billed quarterly

	Existing Rates	Proposed Rates		
	2014	2015	2016	2017
First 15 cubic meters plus	\$32.95	\$36.89	\$41.30	\$46.24
Rate rider	1.25	3.78	3.74	3.71
For each cubic meter over 15 cubic meters plus	1.50	1.68	1.88	2.11
Rate rider	0.06	0.17	0.17	0.17

COMMERCIAL UNITS – MONTHLY CHARGE

Note: Commercial units billed quarterly

	Existing Rates	Proposed Rates		
	2014	2015	2016	2017
First 15 cubic meters plus	\$31.47	\$35.24	\$39.45	\$44.17
Rate rider	1.19	3.61	3.58	3.55
For each cubic meter over 15 cubic meters plus	0.75	0.84	0.94	1.06
Rate rider	0.03	0.10	0.09	0.08

FIRE HYDRANT AND STANDPIPE RATES

Charged to the Regional District of Nanaimo

	Existing Rates	Proposed Rates		
	2014	2015	2016	2017
Hydrants, per hydrant, per annum plus	\$454.73	\$509.12	\$570.01	\$638.19
Rate rider, per hydrant, per annum	17.24	52.13	51.68	51.25
Standpipes, per standpipe, per annum plus	181.89	203.65	228.01	255.28
Rate rider, per standpipe, per annum	6.90	20.85	20.67	20.50

AVAILABILITY OF SERVICE CHARGE PER RENT CHARGE AGREEMENTS

Applicable to authorized lots not receiving water service

	Existing Rates	Proposed Rates		
	2014	2015	2016	2017
Annual Charge	\$308.97	\$345.92	\$387.30	\$433.62

This Notice of Application is provided by mail to all of EWW's customers in lieu of a notice in the local newspapers to ensure that all existing customers are informed of the application. A copy of the application is available for public review on EPCOR's website at www.epcor.com/frenchcreek and at: EPCOR Water (West) Inc. #10-D 1343 Alberni Highway, Pine Tree Centre, Parksville, BC. Any person wishing further information in connection with the proposed rates can contact:

Service Manager
EPCOR Water (West) Inc.
#10-D 1343 Alberni Highway, Pine Tree Centre
Parksville, BC V9P 2B9

Fax: 250-954-0361
Email: regulatorywater@epcor.com

In accordance with the attached Notice of Written Hearing Process (Appendix B to Order No. 2408) issued by the Office of the Deputy Comptroller of Water Rights, objections to the application are to be forwarded to Rick Couroux, Secretary to the Deputy Comptroller of Water Rights, on or before February 23, 2015, with a copy to EPCOR Water (West) Inc. at regulatorywater@epcor.com. Persons who wish to actively participate in the proceeding should register as interveners in writing to the Secretary to the Deputy Comptroller of Water Rights by February 18, 2015. For further information on this regulatory proceeding and schedule including Order No. 2408, please refer to our website at www.epcor.ca/frenchcreek.

By direction of the Deputy Comptroller of Water Rights, comments and intervenor registrations can be forwarded to:

Rick Couroux, Secretary to the Deputy Comptroller of Water Rights
PO Box 9340 Stn Provincial Government, Victoria, BC V8W 9M1
or by email: Rick.Couroux@gov.bc.ca or by fax 250-953-5124