



March 13, 2015

File: 0321094

## NOTICE OF CONTINUING WRITTEN HEARING PROCESS

### Re: EPCOR Water (West) Inc. 2015 – 2017 Revenue Requirements and Rates Application

On December 19, 2014, EPCOR Water (West) Inc. (“EWW” or “the Utility”) applied to the Comptroller of Water Rights for approval of 2015-2017 Revenue Requirements and Rates Application (“the Application”) and interim, refundable water rate increases and rate riders effective January 1, 2015 based on its proposed 2015 water rate increases and rate riders. I approved an interim, refundable rate increase based on the Application, effective January 1, 2015, by Order No. 2408 on January 12, 2015 subject to change after a final decision on the Application is made.

A Written Hearing Process was established for the review of the Application. The Utility advertised the proposed rates by mailing a Notice to all customers (along with our Notice of Written Hearing Process) on January 20, 2015, providing them until February 23, 2015 to submit any questions or comments of the Utility to this office. The Application and supporting material have been available for inspection at the Utility’s office and on its website.

Five persons registered as Interveners, two of which were on behalf of the French Creek Residents’ Association (FCRA) and about 130 objections were received from customers. The main objection is to the large proposed rate increases over the next three years. Information Requests were issued from this office and from two of the Interveners, to which the Utility responded on March 10, 2015 as set out in the regulatory timetable.

Several Interveners and customers of EWW have petitioned the Deputy Comptroller to expand the existing written public hearing process to an oral public hearing or other form of oral process. The rationale for an oral public process mostly relates to the large rate increases proposed by EWW in its Application and the desire of ratepayers to more fully understand the need for such large increases and to be sure the Deputy Comptroller is aware of public concerns.

On December 10, 2014, prior to submitting the Application, the Utility met with representatives of the French Creek Community Advisory Panel to present on past accomplishments, future costs and proposed rates, and gathered feedback and concerns. The Utility included a copy of the presentation and the input received in their Application package.

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Utility Regulation staff and I are aware of these concerns. The technical information requests of the staff have focused on the potential to reduce the proposed rate increases by minimizing projected operating cost projections, avoiding some costs and adjusting the projected capital expenses, all while ensuring safe, reliable service into the future. The provisions of the *Water Utility Act* require that the rates be set to recover the prudently incurred costs of the Utility.

I also recognize that an oral public hearing for such a small utility would be costly for ratepayers. The costs of the Utility in participating in such a proceeding would be recoverable through customers' rates on top of any rate increase that I may approve following the information gathering and technical review in the written hearing process.

The many letters of concern filed with this office form part of the written process and will be considered by me in arriving at a decision on the Application. After the written hearing process, a final written Decision and Order with Reasons will be issued and, along with the approved Tariff, will be available for viewing by the Utility's customers either on EWW's website or at its local office.

For these reasons I find that the cost of an oral public hearing and the extra time required are not justified for the level of new technical information that is likely to come from including an oral component in the written process.

If you have any questions on this matter, please contact Rick Couroux at (250) 387-6355.

Yours truly,



Pieter J. Bekker  
Deputy Comptroller of Water Rights, *Water Utility Act*

pc: EPCOR Water (West) Inc.