



**Reference:** Item 3 of the covering letter of the rate filing

**Explanation:** “As EWW is concluding a lengthy and expensive well development program, it is not forecasting any major system expansion in the test period. Furthermore, EPCOR Utilities Inc. acknowledges that it has entered into discussions with the Regional District of Nanaimo (RDN) for the sale of the utility. As such, EWW’s focus is on maintaining the system in its current state.”

**Request:**

- 1.1 Has Epcor corporate provided any information to the RDN on long term EWW system capital expenditure needs that would enable the RDN to include consideration of this factor in its assessment which in turn would impact future water rates? If so, what type of information?
- 1.2 If the current discussions between EWW and the RDN lead to an agreement ‘for the sale of the utility’, will the BC Comptroller of Water Rights have any role in approving or signing off on such an agreement?
- 1.3 If the Comptroller is involved in approving or signing off on a sale / purchase agreement will this require that a referendum of customer’s views be a requirement of a sale of the utility?

**Response:**

- 1.1 EWW acknowledges that it has entered into discussions with RDN regarding the sale of the utility. As is customary with the sensitive nature of commercial negotiations, the parties are subject to a confidentiality agreement which requires that information and negotiations regarding the potential transaction be kept confidential until complete.

Any sale of the French Creek Utility will require approval of the BC Comptroller to ensure customers of the utility are not harmed in any way by the transfer of ownership.

- 1.2 Refer to EWW’s response to IntervenorA-EWW-1.1.



- 1.3 EWW cannot comment on what the Comptroller will consider in its review of any proposed transaction.