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November 17, 2017

Chris McMillan
Secretary to the Comptroller of Water Rights
Utility Regulation Section
Resource Stewardship Division
Ministry of Forests, Lands and Natural Resource Operations and Rural
Development
PO Box 9340 Stn Prov Govt
Victoria, BC V8W 9M1

VIA E-MAIL: Chris.McMillan@gov.bc.ca

Dear Mr. McMillan:

**Re: EPCOR Water (West) Inc.
2018-2020 Revenue Requirement and Rates Application**

1. EPCOR Water (West) Inc. ("EWW") is pleased to submit its 2018-2020 Revenue Requirement and Rates Application (the "Application") requesting approval of proposed adjustments to its water rates on the basis that they are insufficient to recover EWW's forecast revenue requirement for the 2018-2020 period.
2. EWW's operating costs have remained relatively stable over the last rate period, with variances related to salaries due to staffing conditions and delayed capital projects. Overall, EWW forecasts only modest increases in operating costs, offset by decreased intercorporate services charges.
3. 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 for the sale of the utility. As such, EWW's focus is on maintaining the system in its current state.
4. EWW will issue a notice of application to its customers by way of a mail out in December, providing an opportunity for interveners to register in the regulatory proceeding and giving at least 30 days for customers to submit any comments on the Application to the Comptroller's office. At that time, EWW will also have the entire Application posted to our website and a hard copy will be available for review at our office. EWW will send a draft of the notice to the Comptroller's office for review.

5. Please find an electronic version of the Application attached. EWW will deliver two paper copies of the Application to the Comptroller's office next week. EWW will provide any additional copies upon your request.

6. EWW respectfully requests that the Comptroller issue a decision on this application on or before February 28, 2018. This proposed timing will allow EWW to issue the anticipated refund to customer in its April billing and will avoid the necessity of interim rates, as the April billing covers consumption from January 1, 2018.

7. EWW looks forward to working with the Comptroller's staff and is pleased to assist with processing the Application as efficiently as possible. Please contact me at (780) 412-8817 or Darrell Manning, Director Regulatory and Business Processes at (780) 412-3041 if you have any questions.

Sincerely,

Carmen Piercey
Senior Manager Regulatory
EPCOR Water Services Inc.

Attachments