

Order No. 2528

PROVINCE OF BRITISH COLUMBIA  
OFFICE OF THE COMPTROLLER OF WATER RIGHTS

IN THE MATTER OF  
the *Water Utility Act* and the *Utilities Commission Act*

and

**EPCOR Water (West) Inc.**

**For Approval of  
2018 to 2020 Revenue Requirements and  
Amended Water Rates**

BEFORE:

Ted White, Deputy Comptroller of Water Rights  
PO Box 9340 STN PROV GOVT  
Victoria BC V8W 9M1

**ORDER NO 2528**

Dated this 21<sup>st</sup> day of June, 2018

**Whereas:**

1. On November 17, 2017 EPCOR Water (West) Inc. (“EWW” or “the Utility”) filed its 2018-2020 Revenue Requirements and Rates Application (“RRA”) and proposed changes to its Water Tariff terms and conditions with submission of a proposed Water Tariff No. 5 to be effective January 1, 2018 (collectively, “the Application” or “RRA”).
2. A written hearing process was conducted from January 15, 2018 to March 20, 2018 and on May 15, 2018 the Deputy Comptroller issued Order 2519 that required EWW to refile the Application in accordance with the determinations and directives in the Reasons for Order 2519 by June 15, 2018. Until then, the 2017 water rates and Water Tariff effective January 1, 2015 were to continue.
3. On June 15, 2018 EWW submitted its 2018 to 2020 RRA re-filing with adjusted Financial Schedules and revised Water Tariff No. 5 in accordance with the directions given by the Deputy Comptroller in Section 11.0 of Order 2519. Revenue Requirements for 2018, 2019 and 2020 were adjusted and the effect on rates is to decrease the applied-for rate increases by 1.27% per year for 2018 to 2020. EWW proposes to apply the final water rates and rate riders during its July billing period for consumption beginning April 1, 2018. EWW acknowledges that there will be a refund to customers to reflect the difference between EWW’s 2018 interim water rates and its 2018 final water rate, based on consumption from January to March 2018. EWW proposes to issue this refund to its customers by adjusting the 2018 rate rider charged to residential customers for consumption after April 1, 2018.
4. In Direction 2 of Order 2519, the Deputy Comptroller agreed with EWW that the well projects’ delayed completion into 2018 should be deemed to have been completed in 2017. EWW was required to explain how it planned to treat amortization of these capital additions so that customers were not disadvantaged by the delays. In the June 15, 2018 submission, EWW calculated two scenarios to determine the impact on rates of deeming the completion of the well projects in 2017 compared to completion in 2018. As indicated in line 48 of Attachment 1, the Filed scenario results in a 0.89% annual increase in customer rates compared to the Amended scenario. Based on this information, EWW determined customers would be disadvantaged by deeming the wells projects to have been completed in 2017. Therefore, EWW proposes to include the capital additions in 2018 as is currently forecast (the Amended scenario) and amended Financial Schedule 2.5, line 3, to reflect this approach. This approach provides lower rates for EWW’s customers.

**Determinations**

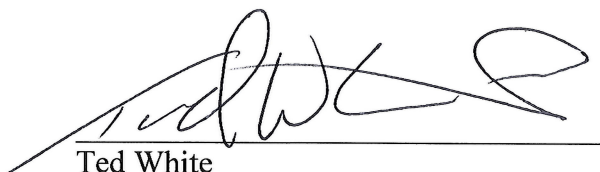
***The Utility's re-filed Application for 2018 to 2020 Revenue Requirements and Tariff Amendments effective January 1, 2018, January 1, 2019 and January 1, 2020 is approved and accepted for filing.***

***EWV's proposal to issue refunds to its customers for the difference between the 2018 interim rates and final, refiled rate increase based on consumption for January to March 2018 by adjusting the 2018 rate rider is approved.***

***While not in accordance with Direction 2 of Order 2519, the Utility's request as shown in item 4 above is accepted. EWW's proposal to include the capital additions in 2018 is approved as it provides lower rates for EWW's customers.***

Having considered all of the evidence affecting the Applicant's Application for Revenue Requirements and final water rates for 2018, 2019 and 2020, **IT IS HEREBY DECIDED AND ORDERED THAT** the revised Application as shown in the Utility's June 15, 2018 refile is approved and accepted for filing effective January 1, 2018.

Dated at the City of Victoria, in the Province of British Columbia, this 21<sup>st</sup> day of June, 2018.



Ted White  
Comptroller of Water Rights

File: 0321094