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## **INDEPENDENT AUDITORS' REPORT ON RATE SHEETS 1, 2, 3, 4, 6, 7, AND 8**

To the Senior Vice President, EPCOR Water Services Inc.

### **Opinion**

We have audited Rate Sheets 1, 2, 3, 4, 6, 7, and 8 (hereinafter referred to as the "Rate Sheets") of EPCOR Water Services Inc. ("EWSI") for the 2021 Annual Water Rate and Wastewater Treatment Rate Filing.

In our opinion, the financial information in the Rate Sheets effective April 1, 2021 to March 31, 2022 has been prepared, in all material respects, in accordance with Schedule 1 and Schedule 3 of the City of Edmonton Bylaw 17698 (the "Bylaw").

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Rate Sheets" section of our auditors' report.

We are independent of EWSI in accordance with the ethical requirements that are relevant to our audit of the Rate Sheets in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

### **Responsibilities of Management and Those Charged with Governance for the Rate Sheets**

Management is responsible for the preparation of the Rate Sheets in accordance with Schedule 1 and Schedule 3 of the Bylaw, and for such internal control as management determines is necessary to enable the preparation of the Rate Sheets that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing EWSI's financial reporting process.



## **Auditors' Responsibilities for the Audit of the Rate Sheets**

Our objectives are to obtain reasonable assurance about whether the Rate Sheets are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Rate Sheets.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Rate Sheets, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of EWSI's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial information in the Rate Sheets effective April 1, 2021 to March 31, 2022 has been prepared, in all material respects, in accordance with Schedule 1 and Schedule 3 of the Bylaw.



### **Basis of Accounting and Restriction on Distribution**

Without modifying our opinion, we draw attention to the fact that the Rate Sheets have been prepared in accordance with the provisions of Schedule 1 and Schedule 3 of the Bylaw. The Rate Sheets have been prepared to assist EWSI in meeting the reporting requirements of the Bylaw. As a result, the Rate Sheets may not be suitable for another purpose. Our report on the Rate Sheets is intended solely for EWSI and the City of Edmonton. It should not be distributed to or used by parties other than EWSI and the City of Edmonton.

A handwritten signature in black ink that reads 'KPMG LLP'. Below the signature is a long, horizontal, slightly curved line.

Chartered Professional Accountants

Edmonton, Canada

February 24, 2021