



# Water Utility Cost of Service Study

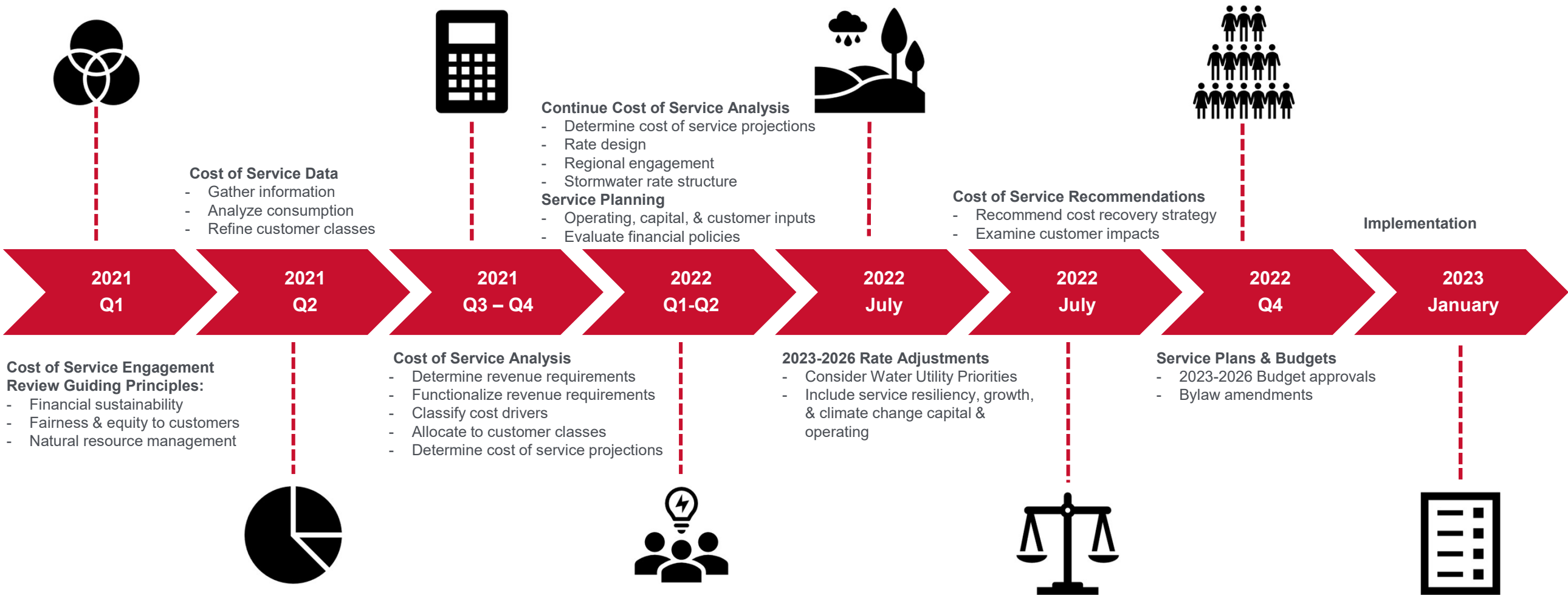
July 20, 2022

# Administration Recommendations

That the Executive Committee recommend that Council:

1. Receive this report for the Corporate Record;
2. Direct Administration to develop water, wastewater and stormwater rates and associated bylaws for 2023-2026 for each inside city customer class, and for outside city customers following the strategy articulated in Attachment 3 of this report to be presented as part of One Calgary Service Plans and Budgets; and
3. Direct Administration to report back with an update on the Wastewater Loading Management Program once appropriate customer engagement has been completed.

# Timeline and Cost of Service Strategy









# Approach to Rate Design

Prioritize 2023-2026 Rate Making Objectives

Water Utility Priorities
Rate Stability & Customer Impact
Customer Equity & User Pay Philosophy
Climate Change / Conservation / Watershed Protection
Affordability / Ability to Control Bill
Revenue Sufficiency & Predictability
Accessible & Simple
Growth Pays for Growth
Adaptability
Ease for Implementation / Administration

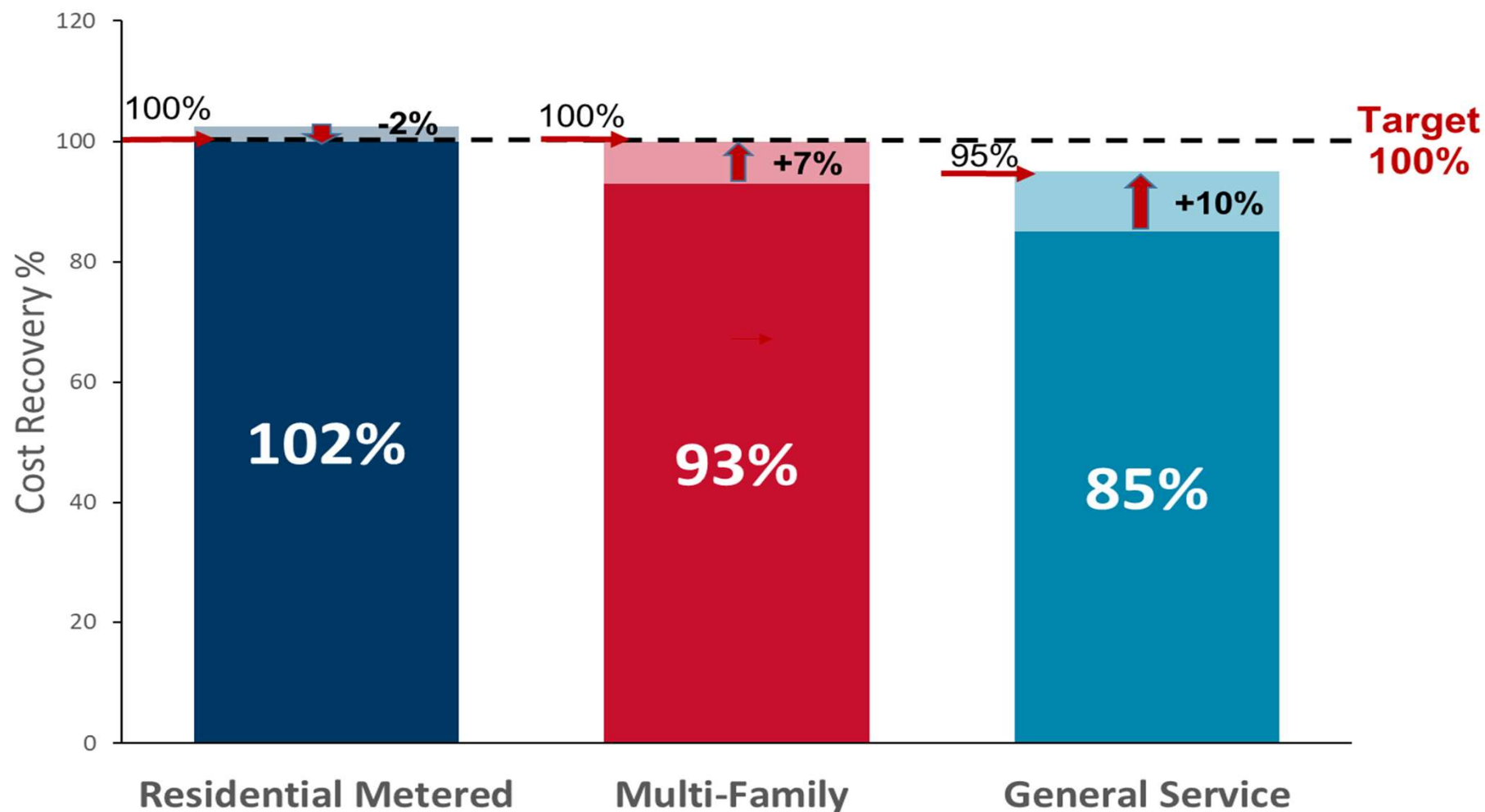
Considerations in the development of 2023-2026 rates:

-  Fixed vs variable rate component analysis;
-  Wastewater return factor
-  Degree of rate change – cost recovery gap
-  Time to phase in the rate change
-  Customer impact on General Service class; and
-  Cost of service results.

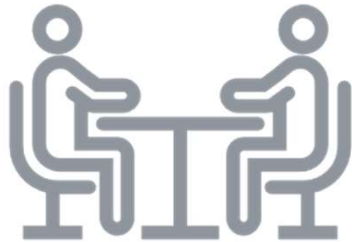




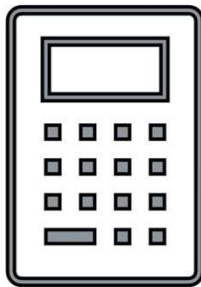
# Achieve Closer to Cost of Service while Minimizing Customer Impact



# Wastewater Management Loading Program



- Customer fairness and equity in treatment cost recovery
- Shared responsibility for protecting river and infrastructure



- Updates to surcharge billing calculation
- Customer self reporting program
- Changes to be phased in over several years:
  - 2022 rates remain in place during implementation



# Customer Impacts

Customer Class	Typical Monthly Consumption	2022 monthly bill	Incremental change	2023 monthly bill	2024 monthly bill	2025 monthly bill	2026 monthly bill
Residential Metered	19m3	\$111.86	-\$0.44 - +\$0.16	\$111.42	\$111.58	\$111.74	\$111.91
Multi-Family	584m3	\$2,168.36	\$31.31 - \$59.53	\$2,199.68	\$2,259.21	\$2,318.74	\$2,378.26
General Service Regular	400m3	\$1,366.64	\$38.26 - \$54.16	\$1,404.90	\$1,459.05	\$1,513.21	\$1,567.36
General Service Large	10,365m3	\$33,403.04	\$1,003.26 - \$1,415.27	\$34,406.31	\$35,821.58	\$37,236.85	\$38,652.13

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