

CUI 2017 Utility Rate Request Final Submission

Appendix 2

Undertakings from December 5, 2016 Presentation

December 16, 2016

Undertaking # 1:**Requestor:** Deputy Mayor Massig

CUI to provide RoE expense that's being charged to each Line of Business for each of 2017, 2018 & 2019.

Response:

	Water	Sanitary	Solid Waste	Storm	Total
2017 - RoE @ 1.8%	522,612	418,089	26,131	339,698	1,306,529
2018 - RoE @ 3.2%	742,057	927,571	46,379	579,732	2,318,928
2019 - RoE @ 5.3%	1,346,576	1,500,471	76,947	884,893	3,847,361



Undertaking # 2**Requestor:** Deputy Mayor Massig

CUI to provide an estimate of the impact to rates if it were to receive a capital contribution (grant) from the City in support of sanitary or storm rate base funded projects.

Response:

This analysis needs to be project specific so we have assumed a \$1 million capital contribution is received from the City in support of the Westmere Pond upgrade before financing is required. To determine the rate impact, all other assumptions have been held constant, including 80% of the remaining costs of the project (\$1,500,000) is financed. It was also assumed that the grant would be applied against the asset value thereby reducing amortization expense.

		2017	2018	2019
Storm		Rate	Rate	Rate
Residential Fixed - Proposed	\$ / Month	19.68	23.38	27.10
Residential Fixed w \$ 1M Grant	\$ / Month	19.27	22.78	26.51
	Rate Change	0.41	0.60	0.59
Non-residential Fixed	\$ / Month	33.11	39.34	45.60
Non-residential w \$1M Grant	\$ / Month	32.42	38.33	44.60
	Rate Change	0.69	1.01	1.00



Undertaking # 3:**Requestor:** Mayor Matthews

CUI to provide rate impact in 2018 and 2019 if Westmere Pond grant is awarded as requested

Response:

To determine the rate impact, all other assumptions have been held constant, including 80% of the remaining costs of the project (\$254,000) is financed. It was also assumed that the grant would be applied against the asset value thereby reducing amortization expense.

Storm		2017 Rate	2018 Rate	2019 Rate
Residential Fixed - Proposed	\$ / Month	19.27	23.38	27.10
Residential Fixed w \$ Full Grant	\$ / Month	19.27	22.00	25.74
	Rate Change	-	1.38	1.36
Non-residential Fixed	\$ / Month	33.11	39.34	45.60
Non-residential w Full Grant	\$ / Month	33.11	37.01	43.30
	Rate Change	-	2.33	2.30



Undertaking # 4:

Requestor: Mayor Matthews

CUI to provide 2014 water losses.

Response:

In 2014 CUI reported water losses of 18%. This figure includes an adjustment of \$150,000 related to a payment from the City of Chestermere as an estimate for unmetered water use at City facilities. Without this adjustment, water losses in 2014 would have been 23%.

