

OPEN LETTER TO Cheryl Mosher, CPA, CA Senior Financial Analyst PEI IRAC

Dear Ms. Mosher:

This email is submitted in response to the application by the Island Waste Management Corporation (IWMC) for a rate increase for 2022 RE: Docket WM01306.

My submission will be short and succinct in that it is my view that the requested increase by IWMC is completely outside of anything that could be viewed as reasonable by Islanders generally and those "in the know" particularly.

IWMC sought and received a rate increase from 2020 to 2021 that equated to 3.9% on Household Collection rates and a whopping 21% on Cottage Collection rates. Now the IWMC wants IRAC to approve an additional Household Collection rate increase for 2022 of 5.16% while again seeking to increase Cottage Collection rates by 13.04%.

Cumulatively this totals a 9.06% increase in Household Collection rates and 33.04% increase for Cottage Collection rates in the last 12 months (give or take).

It leaves me at a loss to understand how a "Not-For-Profit", Crown Corporation could possibly require such obscene increases in fees from Islander who have not seen a commensurate increase in real wages or income that could be considered anywhere remotely close to 9.06% or 33.04% respectively over the last 1, 2 or even 5 years for that matter.

I, like I am sure all Islanders, understand the need for income to keep up with costs over time but recent IWMC history and future requests, in my opinion, exceed that objective. This is particularly concerning when you realize that in their submission IWMC is seeking "to earn a return, as provided for under Section 18.1 (10) of the *Environment Protection Act*..." It is my view that earning a "return" is not a priority for a Crown Corporation, particularly if earning that "return" results in significant increases in rates to Islanders that exceed CPI.

In a December 15th, 2021 statement, James Marple, Senior Economist for TD Bank made the following comment about CPI in Canada:

"Two of three of the Bank of Canada's core inflation metrics were unchanged in November. CPI-trim remained steady 3.4% and CPI-median at 2.8%. **The CPI-common measure rose to 2.0% (from 1.8%).**" (Emphasis mine) <https://economics.td.com/ca-cpi>

Whether or not IWMC requires ANY increase in 2022 after their significant increase in 2021 remains an open question. However, if any increase should occur it should not exceed, in my opinion, CPI for 2021 which is the measure by which real Islanders live their real lives. IWMC seems to be living in an alternate reality and IRAC should not follow their lead.

Sincerely,

Bill A. McKinnon