



**THE ISLAND REGULATORY AND
APPEALS COMMISSION**

Prince Edward Island
Île-du-Prince-Édouard
CANADA

Docket: WM01305

Order: WM21-01

IN THE MATTER of an application by the Island Waste Management Corporation for approval to vary the rates for waste management services, in accordance with section 18.1 of the *Environmental Protection Act*, RSPEI 1988, Cap. E-9.

**BEFORE THE COMMISSION ON
Wednesday, February 24, 2021.**

J. Scott MacKenzie, Q.C., Chair

M. Douglas Clow, Vice-Chair

Erin T. Mitchell, Commissioner

CERTIFIED A TRUE COPY

Collette A. Vessey,
Executive Assistant
Island Regulatory & Appeals Commission

ORDER

1. On December 17, 2020, the Island Waste Management Corporation ("IWMC") filed an application with the Island Regulatory and Appeals Commission (the "Commission"), seeking approval to vary the rates for certain waste management services, (the "Application").
2. In particular, IWMC seeks approval to increase the annual fee for households, cottages and extended cottages, and to increase the maximum residential disposal fee.
3. The Application was filed in accordance with section 18.1(2) of the *Environmental Protection Act* (the "Act") which requires IWMC to submit any proposed changes to its rates to the Commission for review and approval.
4. Notice of the Application was published on the Commission website and in local newspapers. Any person wishing to comment on the Application was invited to do so in writing, in accordance with section 18.1(3)(a) of the *Act*.
5. On January 19, 2021, the Commission issued interrogatories to IWMC seeking additional information with respect to the Application and the proposed rates.
6. IWMC filed responses to the Commission's interrogatories on or about February 2, 2021.
7. On February 4, 2021, a technical briefing was held with respect to the Application. At the technical briefing, IWMC presented the Application to the Commission and answered questions arising from the Application and the interrogatories.
8. In response to interrogatories and to questions asked at the technical briefing, IWMC advised that it historically has not determined rates based on the cost of providing service to different rate classes (i.e. a cost allocation model).
9. As part of the Application, IWMC is not proposing to change the rates charged for the majority of its disposal fees, including commercial disposal fees.
10. IWMC confirmed that the disposal fees have not changed since 2012, and that IWMC has not undertaken a cost allocation analysis to determine whether the rates are comparable to the current cost of providing the services.
11. Without the supporting cost allocation, the Commission is not able to determine that the disposal fees charged by IWMC are appropriate.
12. However, the Commission is prepared to allow the current disposal fees charged by IWMC to remain in place until such time that a cost allocation analysis is completed by IWMC and submitted to the Commission for approval.
13. As part of the Application, IWMC is proposing rate increases for households, cottages, extended cottages, and the residential disposal fee. In support of the proposed rate increases, IWMC presented evidence which shows that the cost of providing service to these customers has increased significantly since 2012.
14. The Commission is satisfied that the proposed rate increases for households, cottages, extended cottages, and the residential disposal fee are, in the circumstances, reasonable.

15. The Commission Orders as follows:

- A. The proposed annual fees for households, cottages and extended cottages are approved effective January 1, 2021.
- B. The proposed residential minimum and maximum disposal fees are approved effective April 1, 2021.
- C. The lawful rates to be charged by IWMC are therefore as follows:

Fee Category	Current Rate	Approved Rate
Household Annual Fee	\$205	\$213
Cottage Annual Fee	\$95	\$115
Cottage Extended Fee	\$120	\$140
Residential Min-Max	\$5 min – \$20 max	\$5 min – \$30 max

- D. The balance of the disposal fees charged by IWMC are not approved, but shall remain in place without change until such time as a cost allocation analysis is completed by IWMC, and submitted to the Commission for approval.
- E. IWMC shall work with Commission staff to develop a cost allocation model that is to be approved by the Commission.
- F. The cost allocation analysis is to be completed and submitted to the Commission, on or before September 15, 2021.
- G. The Commission will provide written reasons within sixty (60) days from the date of this Order.

DATED at Charlottetown, Prince Edward Island, on Wednesday, February 24, 2021.

(sgd) J. Scott MacKenzie

J. Scott MacKenzie, Q.C., Chair

(sgd) M. Douglas Clow

M. Douglas Clow, Vice-Chair

(sgd) Erin T. Mitchell

Erin T. Mitchell, Commissioner

NOTICE

Section 12 of the ***Island Regulatory and Appeals Commission Act*** reads as follows:

12. The Commission may, in its absolute discretion, review, rescind or vary any order or decision made by it, or rehear any application before deciding it.

Parties to this proceeding seeking a review of the Commission's decision or order in this matter may do so by filing with the Commission, at the earliest date, a written Request for Review, which clearly states the reasons for the review and the nature of the relief sought.

Sections 13(1), 13(2), 13(3), and 13(4) of the ***Act*** provide as follows:

13(1) An appeal lies from a decision or order of the Commission to the Court of Appeal upon a question of law or jurisdiction.

(2) The appeal shall be made by filing a notice of appeal in the Court of Appeal within twenty days after the decision or order appealed from and the rules of court respecting appeals apply with the necessary changes.

(3) The Commission shall be deemed to be a party to the appeal.

(4) No costs shall be payable by any party to an appeal under this section unless the Court of Appeal, in its discretion, for special reasons, so orders.

NOTE: In accordance with IRAC's *Records Retention and Disposition Schedule*, the material contained in the official file regarding this matter will be retained by the Commission for a period of 5 years.