AVICC Meeting – June 19th, 2013
Potential Impact to Vancouver Island Communities if BCUC Submission Stands

- The BCUC's has rejected standardized natural gas rates in British Columbia. This has perpetuated the competitive disadvantage of the Sunshine Coast and Vancouver Island.
- In dollars, this means that Vancouver Island and Coastal Communities pay $52 million too much for natural gas EVERY YEAR.
- This $52 million is borne annually by residents, businesses, schools, hospitals –every sector of our economy.
- The Vancouver Island Health Authority (VIHA) would save $2.36 million ANNUALLY with standardized gas rates.

- Nanaimo example:
  - Notional dollars leaving the area's economy annually: $7.8million (extrapolated)
  - Additional gas fees paid by the City of Nanaimo annually: $249,000
  - Additional gas fees paid by VIHA for Nanaimo facilities annually: $337,000
  - Additional gas fees paid by School District #68 (Nanaimo-Ladysmith): $451,000

- How can this money be saved?
  - Part of the savings will come from increased efficiencies in Fortis' operations.
  - Much of the savings to the Sunshine Coast and Vancouver Island would come from the standardization of rates in the province resulting in an estimated residential increase of 3.3% in 2014 and then 2.0% in 2017 for areas outside of the Vancouver Island and Coastal Communities.

- Why should other areas support the VICC region?
  - Many other projects (large road projects) paid for by provincial wide taxes
  - Postage stamp rates are the most common rate design employed by natural gas distribution utilities in Canada and the US, and are supported by provincial government policy.
    - Postage stamp rates are employed by the vast majority of utilities in British Columbia including BC Hydro
    - Municipalities that operate utilities also utilize postage stamp rates

- What should be done?
  - Support the BCUC appeal (letter submissions)
  - Contact newly elected MLA's about the need for making the playing field even by supporting standardized gas rates in British Columbia
  - Contact newly elected MLA's about the need for legislative change to give Vancouver Island and Coastal Communities access to operating fees as contemplated by the agreement being completed by Fortis and municipal representatives