

## Moderate utility rate changes proposed, utility rate review planned

(Penticton, BC – December 2, 2022) – After six years with no increases to the electric rates and to address increased supply costs, the City of Penticton utility is proposing an increase of 5 per cent in 2023 that will cost the average residential user just under \$6 a month.

“Fortis BC bulk rates, which make up almost 90 per cent of the Electrical Utility budget, have increased by almost nine per cent over the past five years,” says Kristen Dixon, the City’s general manager of infrastructure. “The City has recognized the financial pressures that many residents and businesses are facing, and over the same time frame, reduced rates by three per cent to try to offset this pressure. However, Fortis is proposing a further four per cent increase for 2023, and we have reached a point where we must increase our rates by modest amounts in order to provide a sustainable and reliable service for years to come.”

The staff report also notes that inflationary pressures and supply chain issues are impacting both the City’s costs of capital works as well as those of Fortis BC, which are then passed to the City as part of the cost of energy.

In terms of the sewer utility, after several years of increases to improve sustainability of the utility and address future capital projects, this year’s increase is proposed at 4 per cent, while the water rates are proposed to mirror the 2022 rates, with an increase of .60 per cent.

Adding in the changes to the storm water rate, which is designed to continue maintaining and improving capital works along key roads to prevent pooling and flooding, the total household impact of all the changes amounts to \$8.72 for the year.

Residential	2022	2023	% Change	Monthly \$ Change
Electric	\$118.80	\$124.74	5.00%	\$5.94
Water	\$48.34	\$48.63	0.60%	\$0.29
Sewer	\$40.48	\$42.09	4.00%	\$1.62
Storm Water	\$4.34	\$5.22	20.20%	\$0.88
<b>Total Monthly Impact:</b>	<b>\$211.96</b>	<b>\$220.68</b>		<b>\$8.72</b>

<b>Business</b>	<b>2022</b>	<b>2023</b>	<b>% Change</b>	<b>Monthly \$ Change</b>
Electric	\$640.34	\$672.16	5.00%	\$31.82
Water	\$290.43	\$292.17	0.60%	\$1.74
Sewer	\$355.63	\$369.85	4.00%	\$14.23
Storm Water	\$13.21	\$15.88	20.20%	\$2.67
<b>Total Monthly Impact:</b>	<b>\$1,299.60</b>	<b>\$1,350.06</b>		<b>\$50.45</b>

## **Utility rates to be reviewed in new year**

The next review of the City's utility rates is expected to get underway in January. The City regularly conducts an independent review of its rates to ensure fairness and equity amongst ratepayers and to help forecast future rates over the coming years. The last rate review was conducted in 2019, and made recommendations for rates for 2020 through to 2022.

In addition to a general review of revenues and expenditures, the review will also do a more detailed analysis of the electrical dividend and how it is determined, how expenses are split between the basic and variable elements of the rates and the potential implementation of a variable rate structure for treated water to support conservation goals. Information about how to participate in the review will be shared early next year.

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