

## Review complete, 2024 utility rates proposed

(Penticton, BC – Sept. 29, 2023) – With the completion of the engagement program for the Utility Rate Review, staff is seeking Council’s direction on the recommended increases for 2024.

“The job of the rate review was to determine the funds needed to operate our utilities today and maintain them into the future,” says Kristen Dixon, the City’s interim chief administrative officer. “The results show that like everyone, the City is feeling the impact of inflation on the costs of goods and services when it comes to maintaining our infrastructure. The proposed rates are designed to get the utilities back on track to being self funded and provide for future maintenance and replacement of over \$800 million in assets.”

The proposed increases for next year are:

- 3 per cent for electrical
- 6.4 per cent for treated water, including the adoption of the inclining rate structure for  $\frac{3}{4}$  inch residential customers
- 6.1 per cent for agricultural water
- 10.2 per cent for sanitary water
- 30 per cent for storm sewer

The final step in the completion of the review was an engagement program that invited residents to learn more about the changes being proposed and to share their feedback. There was general support for the recommendations in the draft report, including the adoption of the inclining block rate structure for treated water, and updating the City’s policies relating to reserves and the electrical dividend. Where there was not support, it generally stemmed from concerns relating to affordability and the overall ability to pay.

“In an effort to temper the impact of increases for ratepayers, staff are proposing increasing electrical rates by 8 per cent annually for the next four years rather than the 10 per cent recommended for 2024, followed by subsequent 7 per cent annual increases,” says Dixon “Assuming the interim 5 per cent increase is adopted on October 3, this would result in a further 3 per cent increase for 2024 for the electric utility, as opposed to another 5 per cent.”

The upcoming report to Council is focused on the review’s recommendations for utility rates that are required to prepare the 2024 – 2028 Financial Plan and specifically the 2024 budget. With Council’s direction, staff will prepare the bylaws to set the rates for 2024. The remaining recommendations

from the review will be brought forward for Council consideration at future meetings. Complete engagement results are available as part of the agenda package and at [shapeyourcitypenticton.ca](http://shapeyourcitypenticton.ca).

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