



# MEMORANDUM

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SEP 30 2014

**TO:** Mayor and Council or Chair and Board, and CAO

**FROM:** Iris Hesketh-Boles, Executive Coordinator

Central Coast Regional District

**DATE:** September 29, 2014

**RE:** **Fortis BC Operating Agreements and Collection of Operating Fees by Municipalities**

Below are the speaking notes for Nanaimo Regional District Chair Joe Stanhope's presentation to AVICC members who attended last week's AVICC Luncheon during the UBCM Convention.

President Larry Cross wanted to ensure that this news was communicated widely as "Councils in municipalities served by gas will be asked to process and endorse the AVICC recommended model agreement by the **end of October, 2014** in order to take advantage of the anticipated legislation, and to authorize the collection of the 3% fee beginning in March 2015."

The noted meeting with the Premier and Ministers on Thursday last week went well.

*I have some important information to deliver with respect to the Fortis BC Operating Agreements and the collection of operating fees by municipalities.*

*The last several years now we have stood before the AVICC convention and talked about the following:*

1. *Negotiations with Fortis BC to establish a Made-in-AVICC Operating Agreement between the gas company and many AVICC municipalities. This is complete.*
2. *Fortis BC's application to the British Columbia Utilities Commission to apply for a common rate for specified natural gas customers in a given rate class throughout BC. This has occurred, and phased implementation is about to begin in 2015.*
3. *AVICC has been seeking a change to the Vancouver Island Natural Gas Pipeline Act to permit the collection of operating fees within AVICC. AVICC representatives are meeting with the Premier and the relevant Ministers again tomorrow, and we are pleased to say that introduction of this legislation is imminent.*

**Board Meeting**  
 OCT 09 2014  
 CGRD ITEM F(b)

Consequently, I am very pleased to be able to say today, that after much hard work by numerous people, we are poised to see the end of this historic inequity after more than 25 years. Shortly we expect municipalities on Vancouver Island and the Sunshine Coast will return to the same footing as those in the interior of BC.

This means in the order of \$3.5 Million in new revenues to be received collectively / per annum within AVICC to offset costs for municipal taxpayers' associated with the placement of gas lines in municipal roads.

Now, as the final step to reaching our goal, we need political action and your leadership.

Time is now of the essence to adopt agreements, if Councils wish to access the available new funding source. Councils in municipalities served by gas will be asked to process and endorse the AVICC recommended model agreement by the end of October, 2014 in order to take advantage of the anticipated legislation, and to authorize the collection of the 3% fee beginning in March 2015.

AVICC is preparing a standard report format to assist your staff in bringing this matter before you and the report will be available, along with our partners in FORTIS, to respond to any questions you may have. Representatives are meeting with the CAOs tonight to discuss implementation details for your municipality.

We hope we will have the maximum number of agreements in place by November, in order that AVICC can present a unified front to the BCUC.

We are almost there. With your help, we can shortly say that we have completed the strategic task we set out to accomplish.

I want to say thank you to the City of Nanaimo, in particular, who lead the staff technical working group; to Paul Murray and the District of Saanich who have lead the staff policy group; to Gord Schoberg and Carol Greaves of FORTIS, and to Jerry Berry who have worked with us throughout and whom have helped us "stick handle" this matter through the Province and through FORTIS itself.

Finally, I would be remiss if I didn't thank Premier Clark, Minister Coleman, Minister Bennett and Michelle Stillwell for supporting introduction of the corrective legislation.