

Aug 13, 2019

Ms. Pauline Rochefort – Mayor  
Mr. Michel Voyer – Deputy Mayor  
Mr. Terry Kelly – Councillor  
Ms. Erika Lougheed – Councillor  
Mr. Steven Trahan - Councillor  
East Ferris

Dear Council,

In reading the 2019-2022 Strategic Plan, I would suggest a review of the strategic goal of bringing natural gas into our community.

The Strategic Planning Survey shows clear support for the goal, but the support is conditional on natural gas lowering the heating bills in the community. Historically, the regulation of natural gas combined with the efficient distribution by pipeline in densely populated areas, has resulted in natural gas being the least expensive method of home heating.

To convince natural gas providers to expand into less densely populated areas, government intervention has been required. Under the previous provincial government, that expansion was encouraged by using tax revenues to subsidize the capital cost of expanding the distribution system and giving the same access to natural gas to rural customers as the urban centres.

The current government changed the natural gas expansion rules and there is now a requirement for new gas customers to pay a system expansion surcharge. The amount of that surcharge could be enough to make propane heat competitive with natural gas and warrants a close examination of how it is determined.

As this [article](#) on the Kawartha 411 website shows, the surcharge was poorly communicated, it was not itemized in advance and it could be amortized over 40 years.

The claims of the gas company in savings over propane need to be fully evaluated also. In this [website](#) containing information about the North Bay Peninsula Road project, there are claims that homeowners can save up to 54% on home and water heating, but the fine print shows propane prices were excluded.

Propane contains 2.5 times the BTU's as natural gas and is just as environmentally friendly. There can be issues with price volatility, but other than a winter spike in 2014 due to a combination of supply issues and a colder than normal winter, competition has kept the price reasonable over the past 5 years.

There are things that could be done by the provincial government in regard to increasing the supply reserve of propane and enhancing the competitive aspect by encouraging customer ownership of the household tank, but that requires an in-depth study of the issues.

In the meantime, the demand for action on heating bills could be met by having an [advisor](#) in the community who can fairly evaluate the energy needs of the customer and recommend the best course of action with regard to type of heating appliance and fuel source with regard to currently available systems.

The commitment to natural gas includes a 40 year timeframe, but it is hard to predict how energy needs will be best met in the next decade, let alone forty years.

Thanks for your consideration.

Phil Koning  
Corbeil, ON

Cc Mr. Vic Fedeli, MPP Nipissing