TO: Chief Administrative Officer, Chief Financial Officer &
       Senior Engineering and Public Works Staff
FROM: UBCM Secretariat
RE: BC Safety Authority – Changes in Fee Structure

PURPOSE

This communication is being forwarded to make you aware that the BC Safety Authority is changing its fee structure and that this may result in increased fees when a local government renews its annual electrical permit.

The communication is also intended to provide local government with information on how it can provide feedback if it has any concerns with the changes being proposed by the BC Safety Authority.

BACKGROUND

Earlier in 2012, the BC Safety Authority (BCSA) completed a formal process of consultation on 2012-2014 Fee Setting. The result of the consultation was a 3% increase to all fees in the electrical, elevating devices, gas, boiler, pressure vessel and refrigeration technologies each year in 2012 (effective August 27), 2013 and 2014 (effective January 1st in both years).

At the time of the 2012-2014 Fee Setting consultation, the BC Safety Authority indicated that it would be revising its current fee structures to make it simpler, more logical and aligned with the assessment of safety risk. Consultation on an alternative fee structure was initiated in the spring of 2012 with BCSA electrical safety officers, regional staff and the safety management team. In addition, a series of sessions with a number of high, medium and low volume electrical contractors who had indicated that they would like to participate in the development of the fee structure changes.

The results of the earlier internal review and its proposed electrical fee structure changes for electrical operating permit fees are published in a Discussion Paper available on the BCSA website at:
The largest proposed changes are to operating permit client categories, private distribution systems, and temporary operating permits.

**IMPACT ON LOCAL GOVERNMENT**

Outlined below is a brief overview of how the changes being proposed by the BC Safety Authority may affect local government.

A majority of local governments hold electrical operating permits that are renewed annually and will be affected by the fee restructuring exercise being undertaken by the BC Safety Authority.

**Why do organizations require an electrical operating permit?**
An operating permit helps confirm the maintenance of equipment and that it is monitored by qualified individuals who are responsible for technical safety inspection, operation and maintenance requirements.

**Who needs an electrical operating permit?**
An operating permit is required in British Columbia if someone is operating or maintaining electrical equipment where:

- The supply is greater than 250 kVA; or,
- The supply is greater than 750 V

**What does the BCSA do with operating permits?**
The BC Safety Authority risk assesses the information on permits and determines next steps, including periodic physical inspection, discussions with the owner or contractor, remedial actions, etc.

**Why the change in fee structure?**
In order to improve fairness and consistency in the calculation methods of fees for electrical operating permits, the current 7 categories of client are being reorganized into 3 by more closely aligning to equipment, usage, site and process type. This will help to:

- Recognize clients approach their maintenance of electrical equipment in different ways
- View fees in terms of work required to assess safety risk for each client, not necessarily individual site
- Provide a common approach to fees for higher electrical equipment capacity

**How does this affect local government?**
Some local governments with larger equipment and high energy usage/service capacity will see an increase in fees as the BCSA is harmonizing the $/kVA fee for all sites over 300kVA across all categories (61 clients) – the largest increase for any local government is $390.00.
Some local governments with smaller equipment and less energy usage will see a
decrease in fees due to the reduced fee per site (145 clients).

Some local governments will also see a decrease as the BCSA has introduced a
lower account cap to help with the transition to the new fee structure

FEEDBACK

The BC Safety Authority invites local government to review the discussion paper
and its proposed fee structure changes, and to provide feedback. Notification of
the results of consultation and the final fee schedules is targeted for January 15,
2013.

There are a number of ways to provide your feedback and please contact the BC
Safety Authority directly if you have any questions or need additional
information:

1. Feedback form: Submit feedback through our online submission form
(https://www.safetyauthority.ca/regulations/stakeholder-engagement/electrical-installation-fee-structure-consultation

2. Email: feecomments@safetyauthority.ca
<mailto:feecomments@safetyauthority.ca>

3. Direct contact: If you require more information, phone Meryl Howell-Fellows at 778.396.2102

4. Mail: BC Safety Authority
#200 - 505 6th Street, New Westminster BC V3L 0E1
Jim Allaway, Leader - Stakeholder Engagement Programs

5. Fax: 778.396.2064  Attention: Jim Allaway

UBCM Contact

If your local government has any questions regarding this communication, please
contact Ken Vance, Senior Policy Advisor Email: kvance@ubcm.ca; Tel: 604-270-8226 ext. 114.