



November 16, 2012

## **MEDIA ADVISORY**

### **INUVIK GAS FILES PROPOSED RATE WITH PUBLIC UTILITIES BOARD**

**INUVIK**, NWT -- Inuvik Gas filed a proposed rate of approximately \$37 per gigajoule with the Northwest Territories (NWT) Public Utilities Board (PUB) yesterday. The proposed rate, which includes the costs of the Synthetic Natural Gas (SNG) system, has been reviewed and endorsed by the Town of Inuvik. The SNG system will provide a safe and reliable source of energy for homes and businesses in Inuvik this winter.

Inuvik Gas plans to implement the new proposed rate effective January 1, 2013 conditional on PUB approval of the request and the finalization of commercial arrangements for propane supply. The proposed rate will appear on most customers' bills in January 2013.

"Inuvik Gas has worked very hard to respond to the situation faced by the Town of Inuvik due to the diminishing Ikhil gas reserves," said Kevin MacKay, General Manager of Inuvik Gas Ltd. "This proposed rate reflects the costs of providing customers with access to both the SNG system and the Ikhil natural gas reserve."

Added Mayor Floyd Roland, "The safety of our community, family, and neighbours is of paramount importance, and we are pleased that Inuvik will continue to have access to a reliable source of energy this winter. The proposed rate has been reviewed by the Town, and appears to be reasonable, as it is comparable to what is paid by consumers in other NWT communities."

The final cost for this winter season will be subject to the actual price of landed propane at the time the contract is signed with the supplier. The contracted price will reviewed by the Town of Inuvik.

The largest portion of the proposed \$37 rate is made up of the propane and the cost to deliver it to Inuvik, which will be determined through a competitive open bid process. The cost of Inuvik Gas Ltd., including operations, delivery, maintenance, safety, and for keeping Ikhil functional and accessible, make up less than one-quarter of the expected final cost to the customer.

The new price averages the cost of both SNG and natural gas. The price will not change as Inuvik Gas switches between the two fuel sources this winter.

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