



Camrose Municipal Airport Fuel Flowage Fee

At the November 13th Council meeting, City Council also directed Administration to implement a “flowage fee” for any externally-sourced fuel that is brought onto and/or dispensed on the airport property, at a rate equivalent to the 18% component of the mark-up imposed on municipally-sourced fuel. The implementation of a “flowage-fee” on externally sourced fuel is a common practice at a number of other municipal airports within Alberta. This fee is levied to affected users for the privilege of supplying or using externally sourced fuel on a municipally-owned and/or operated airport. These funds are typically used by the airport authority to help offset the cost of operating the airport.

As a result of this change by City Council, the City will now require tracking and periodic reporting of the total volume of any externally-sourced fuel that is brought onto and/or dispensed at the airport property, effective as of November 14th, 2012. Once this information has been received by the City, the City will invoice the user at a rate equivalent to the 18% mark-up on municipally-sourced AvGas fuel (this rate will be reviewed and updated with each subsequent City purchase of AvGas fuel).

The following are a few examples to show the impact of the newly implemented flowage fee (costs listed below are based on an 18% mark-up rate of \$0.242/litre). The current rate can be found on the City of Camrose Webpage - City Government/Engineering Services/Airport/Pilot Information.

- A user which brings 55 gallon (~208 litre) drum of Jet A fuel onto the airport property would be invoiced a total of \$50.34.
- A user which consumes 400 litres of automotive fuel or other forms of aromatic fuel from a slip tank or other means would be invoiced a total of \$96.80 (this scenario is common where users blend automotive fuel with AvGas for the fuelling of their aircraft).

In addition to helping finance the overall operations of the airport, the tracking and reporting of externally sourced fuel will also assist the City in identifying the relative demand for these alternate grades of fuels. This will allow the City to plan for the possible future provision of one or more of these alternate grades of fuel on the airport property. The provision of these alternate grades of fuel could aid the airport in attracting new tenants and user, which could reduce the overall municipal subsidy of the airport thought increased lease revenue and increased revenue generated from fuel sales.

For reference purposes, users should use the attached form when tracking and reporting their usage of externally-sourced fuel. Depending on the actual activity levels of the user, reports should be submitted to the City on an annual basis as a minimum, or more frequently if higher volumes of externally-sourced fuel are used.