



IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by Sun Peaks Utilities Co., Ltd.
for Approval of a Propane Cost Flow-Through Rate Decrease
and the Filing of an Energy Supply Contract

BEFORE: P. Ostergaard, Chair)
P.G. Bradley, Commissioner)
R.D. Deane, Commissioner) December 13, 2001
K.L. Hall, Commissioner)
N.F. Nicholls, Commissioner)

O R D E R

WHEREAS:

- A. Commission Order No. C-11-98, dated June 30, 1998, approved a Certificate of Public Convenience and Necessity ("CPCN") for Sun Peaks Utilities Co., Ltd. ("SPUCL") to operate an underground propane distribution grid system at the Sun Peaks Resort Community near Kamloops, B.C.; and
- B. On November 30, 2001, SPUCL filed a propane supply contract between MP Energy Partnership and BCG Services Inc. ("BCG") dated August 31, 2001, for the supply of liquid propane to SPUCL's underground grid system for the period September 1, 2001 through August 31, 2003; and
- C. In the November 30, 2001 filing, SPUCL also requested approval of a \$2.20/GJ (approximately \$.056 per litre) decrease in the Propane Gas Commodity Charge component of its rates, to \$8.53/GJ (approximately \$.218 per litre) effective January 2, 2002. The decrease is to reflect the lower cost of propane that SPUCL is paying and expects to pay over the remainder of 2001 and 2002, based on current forward market prices for propane; and
- D. SPUCL proposes to amortize the Gas Cost Reconciliation Account ("GCRA") balance over a period of two years with a charge of \$0.83/GJ; and

- E. In the November 30, 2001 filing, SPUCL identified that its Gas Commodity Charge of \$11.15/GJ is comprised of a \$1.1905/GJ Storage Facility Charge, a \$8.53/GJ Propane Commodity Charge, a GCRA Commodity Charge of \$0.83/GJ, and a BCG Charge of \$0.60/GJ; and
- F. The Commission has considered the Application and other material submitted by SPUCL and considers that the propane rate decrease should be approved.

NOW THEREFORE pursuant to Sections 71 and 61(4) of the Utilities Commission Act, the Commission orders as follows:

1. The Commission accepts for filing the August 31, 2001 MP Energy Partnership and BCG contract for the supply of liquid propane to SPUCL's underground grid system, effective from September 1, 2001 to August 31, 2003.
2. The Commission approves for SPUCL the amortization of the GCRA balance over two years.
3. The Commission approves for SPUCL, effective January 2, 2002, a Propane Commodity Charge of \$8.53/GJ and a GCRA Commodity Charge of \$0.83/GJ. The Storage Commodity Charge of \$1.1905/GJ and the BCG Charge of \$0.60/GJ will remain unchanged.
4. SPUCL is to inform all affected customers of the approved rate decrease by way of a customer notice.

DATED at the City of Vancouver, in the Province of British Columbia, this 18th day of December 2001.

BY ORDER

Original signed by:

Peter Ostergaard
Chair