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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-15-13**

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**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 Change to Customer Rates

BEFORE: L.F. Kelsey, Commissioner
D.M. Morton, Commissioner
C.A. Brown, Commissioner
N.E. MacMurchy, Commissioner January 31, 2013
B.A. Magnan, Commissioner
R.D. Revel, Commissioner
C. van Wermskerken

ORDER

WHEREAS:

- A. By Order G-76-12 dated June 12, 2012, the British Columbia Utilities Commission (the Commission) approved a decrease in the propane component of the Gas Commodity Charge and an increase in the storage component of the Gas Commodity Charge for the Sun Peaks Utilities Co., Ltd. (SPUCL) service area effective June 1, 2012;
- B. By Letter L-73-12 dated December 20, 2012, the Commission directed SPUCL to file with the Commission by May 16, 2013 a report on the Gas Cost Recovery Account balances, updated forecast propane costs for the following 12 months, an update on the natural gas pipeline alternative and, if necessary, proposed changes to commodity rates to be effective June 1, 2013;
- C. On January 14, 2013, SPUCL filed an application (Application) with the Commission to apply for the following:
 - i. A decrease of \$5.25 per gigajoule in the propane component of the Gas Commodity Charge component effective February 1, 2013, as a result of current and forecast propane commodity costs, current and forecast propane consumption levels, and to maintain the current Gas Cost Reconciliation Account (GCRA) at appropriate levels;
 - ii. An increase of \$0.25 per gigajoule in the Gas Delivery Charge effective February 1, 2013, for all Rate Groups (Residential, Small Commercial and Large Commercial customers) to recover the one percent Small Municipal Utility Gas Tax that applies to SPUCL with the formation of the Sun Peaks Mountain Resort Municipality;
- D. SPUCL is not recommending any changes to the storage component of the Gas Commodity Charge component at this time;

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- E. The net total proposed change will decrease the annual bill for a typical customer by approximately 14.8 percent for a townhouse, 20.5 percent for a detached house, 21.9 percent for a small commercial, and 22.2 percent for a large commercial hotel;
- F. In its Application, SPUCL also included an update on the natural gas pipeline alternative. SPUCL submits that based on the information reviewed the cost of building the pipeline would make SPUCL's rate payers' energy costs higher than they are now and therefore does not believe that the project is viable at this time;
- G. The Commission has considered the Application with the proposed rate changes and finds that the changes to customer rates are justified.

NOW THEREFORE pursuant to section 61(4) of the *Utilities Commission Act*, the Commission orders as follows:

- 1. The Commission approves the decrease in the Sun Peaks Utilities Co., Ltd. propane component of the Gas Commodity Charge from \$16.25/GJ to \$11.00/GJ, effective February 1, 2013.
- 2. The Commission approves the increase in the Sun Peaks Utilities Co., Ltd. Delivery Charge by \$0.25/GJ, effective February 1, 2013.
- 3. Sun Peaks Utilities Co., Ltd. is to inform its customers of the approved rates in a timely fashion, by way of a customer notice.
- 4. As set out in section 61(5) of the *Utilities Commission Act*, customers who have a complaint arising from the rate change have 60 days to notify the Commission of the nature of the complaint.
- 5. Sun Peaks Utilities Co., Ltd. is directed to file with the Commission by May 16, 2013 a report on the Gas Cost Recovery Account balances, updated forecast propane costs for the following 12 months and, if necessary, proposed changes to commodity rates to be effective June 1, 2013. This report should include a review of the appropriate Gas Commodity Charge storage component required to maintain a neutral level for the storage portion of the Gas Cost Recovery Account over the longer term.

DATED at the City of Vancouver, In the Province of British Columbia, this 1st day of February 2013.

BY ORDER

Original signed by:

D.M. Morton
Commissioner