



ORDER NUMBER
G-21-17

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Port Alice Gas Inc.

Application for Exemption from Part 3 of the *Utilities Commission Act*
for the Operation of the Propane Air Grid Assets and Sale of Propane in the Village of Port Alice

BEFORE:

B. A. Magnan, Commissioner

February 22, 2017

WHEREAS:

- A. On July 22, 2016, Port Alice Gas Inc. (PAG) filed an application with the British Columbia Utilities Commission (Commission) for an exemption from Part 3 of the *Utilities Commission Act* (UCA) in relation to PAG's operation of the propane air grid assets and sale of propane in the Village of Port Alice, British Columbia (Village) (Exemption Application);
- B. PAG is located on the west coast of Vancouver Island, British Columbia and operates in a competitive environment. Energy users in the Village have the choice to burn wood, wood pellets, oil, electricity and propane from tanks as alternatives to propane from the PAG grid system;
- C. On December 7, 2015, PAG applied to the Commission for an order approving an increase in the Basic Charge and the Facility Charge effective January 1, 2016 (Rate Review Application);
- D. By Order G-211-15 on December 21, 2015, the Commission approved the requested rate changes on an interim and refundable basis effective January 1, 2016;
- E. On March 14, 2016, PAG filed a submission requesting that the utility be released from its obligations to operate as a regulated utility, and that PAG and the Commission no longer invest time in the Rate Review Application while the request for PAG to be released from regulated utility operations is being considered. PAG requested that the interim increase in the Basic Charge and Facility Charge remain in effect while the requests are being considered;
- F. By Order G-45-16 on April 6, 2016, the Commission suspended the Rate Review Application subject to Directive 2 in the order, which directed PAG to file a separate application that fully describes the modifications to PAG operations that are being requested, and directed that the interim and refundable increases in the Basic Charge and the Facility Charge remain in effect until the Commission makes a future determination;
- G. On August 15, 2016, Commission Order G-134-16 established a regulatory timetable for the review of the Exemption Application that included one round of information requests;

- H. On September 1, 2016, PAG provided its responses to the information requests;
- I. Section 88(3) of the UCA provides that the Commission may, on conditions it considers advisable, with the advance approval of the Minister responsible for the administration of the *Hydro and Power Authority Act*, exempt a person, equipment or facilities from the application of all or any provisions of the UCA;
- J. The Commission considered the Exemption Application and is satisfied that it is appropriate to issue an order under section 88(3) of the UCA exempting PAG from the requirements of Part 3 of the UCA except for sections 25, 38, 42, 43, and 44; and
- K. By Ministerial Order No. 044 dated February 8, 2017, and attached as Appendix A to this order, the Minister responsible for the administration of the *Hydro and Power Authority Act* granted advance approval to the Commission to exempt PAG from the requirements of Part 3 of the UCA, except for the sections as noted above.

NOW THEREFORE the British Columbia Utilities Commission orders as follows:

1. Pursuant to section 88(3) of the *Utilities Commission Act* (UCA), the Commission, having been granted advance approval by the Minister responsible for the administration of the *Hydro and Power Authority Act*, exempts from Part 3 of the UCA, except for sections 25, 38, 42, 43, and 44, Port Alice Gas Inc. for its operation of the propane air grid assets and sale of propane in the Village of Port Alice, effective the date of this order.
2. Pursuant to section 38 of the UCA, Port Alice Gas Inc. shall operate and maintain its facilities to ensure safe, reliable and adequate service.
3. Pursuant to section 83 of the UCA, the exemption of Port Alice Gas Inc. granted pursuant to this order, shall remain in effect until further order of the Commission for reasons that may include the determination of any complaint the Commission receives from a person whose interests are affected.
4. Pursuant to section 117 of the UCA, Port Alice Gas Inc. must pay fees to the Commission in the amounts that the Commission determines are required to defray costs associated with the regulation of Port Alice Gas Inc.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of February 2017.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner

Attachment

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE MINISTER OF ENERGY AND MINES AND
MINISTER RESPONSIBLE FOR CORE REVIEW

Utilities Commission Act

Ministerial Order No. M 044

I, Bill Bennett, Minister responsible for the *Hydro and Power Authority Act*, order that pursuant to section 88 (3) of the *Utilities Commission Act*, approval is given to the British Columbia Utilities Commission to make the exemptions from the indicated provisions of the *Utilities Commission Act* (related to Port Alice Gas Inc.) as set out in the attached draft order of the British Columbia Utilities Commission.

February 8th, 2017
Date


Minister of Energy and Mines and
Minister Responsible for Core Review

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: Utilities Commission Act, R.S.B.C. 1996, s. 88 (3)
Other: _____

ORDER NUMBER

G-xx-xx

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Port Alice Gas Inc.

Application for Exemption from Part 3 of the *Utilities Commission Act*,
for the Operation of the Propane Air Grid Assets and Sale of Propane in the Village of Port Alice

BEFORE:

B. A. Magnan, Commissioner

[Date]

DRAFT ORDER

WHEREAS:

- A. On July 22, 2016, Port Alice Gas Inc. (PAG) filed an application with the British Columbia Utilities Commission (Commission) for an exemption from Part 3 of the *Utilities Commission Act* (UCA) in relation to PAG's operation of the propane air grid assets and sale of propane in the Village of Port Alice, British Columbia (Village) (Exemption Application);
- B. PAG is located on the west coast of Vancouver Island, British Columbia and operates in a competitive environment. Energy users in the Village have the choice to burn wood, wood pellets, oil, electricity and propane from tanks as alternatives to propane from the PAG grid system;
- C. On December 7, 2015, PAG applied to the Commission for an order approving an increase in the Basic Charge and the Facility Charge effective January 1, 2016 (Rate Review Application);
- D. By Order G-211-15 on December 21, 2015, the Commission approved the requested rate changes on an interim and refundable basis effective January 1, 2016;
- E. On March 14, 2016, PAG filed a submission requesting that the utility be released from its obligations to operate as a regulated utility, and that PAG and the Commission no longer invest time in the Rate Review Application while the request for PAG to be released from regulated utility operations is being considered. PAG requested that the interim increase in the Basic Charge and Facility Charge remain in effect while the requests are being considered;
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- G. On August 15, 2016, Commission Order G-134-16, established a regulatory timetable for the review of the Exemption Application that included one round of information requests;
- H. On September 1, 2016, PAG provided its responses to the information requests;

- I. Section 88(3) of the UCA provides that the Commission may, on conditions it considers advisable, with the advance approval of the Minister responsible for administration of the *Hydro and Power Authority Act*, exempt a person, equipment or facilities from the application of all or any provisions of the UCA;
- J. The Commission has considered the Exemption Application and is satisfied that it is appropriate to issue an order under section 88(3) of the UCA exempting PAG from the requirements of Part 3 of the UCA except for sections 25, 38, 42, 43, and 44; and
- K. By Order in Council No. xx dated xx and attached as Appendix A to this order, the Minister responsible for the administration of the *Hydro and Power Authority Act* granted advance approval to the Commission to exempt PAG from the requirements of Part 3 of the UCA, except for the sections as noted above.

NOW THEREFORE the British Columbia Utilities Commission orders as follows:

1. Pursuant to section 88(3) of the *Utilities Commission Act* (UCA), the Commission, having been granted advance approval by the Minister responsible for the administration of the *Hydro and Power Authority Act*, exempts from Part 3 of the UCA, except for sections 25, 38, 42, 43, and 44, Port Alice Gas Inc. for its operation of the propane air grid assets and sale of propane in the Village of Port Alice, effective the date of this order.
2. Pursuant to section 38 of the UCA, Port Alice Gas Inc. shall operate and maintain its facilities to ensure safe, reliable and adequate service.
3. Pursuant to section 83 of the UCA, the exemption of Port Alice Gas Inc. granted pursuant to this order, shall remain in effect until further order of the Commission for reasons that may include the determination of any complaint the Commission receives from a person whose interests are affected.
4. Pursuant to section 117 of the UCA, Port Alice Gas Inc. must pay fees to the Commission in the amounts that the Commission determines are required to defray costs associated with the regulation of Port Alice Gas Inc.

DATED at the City of Vancouver, in the Province of British Columbia, this day of [month year].

BY ORDER

B. A. Magnan
Commissioner

Attachment