



ORDER NUMBER
G-48-17

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

and

Seascapes Strata Corporation BCS 776
Application for Reconsideration and Variance of Order G-172-16

BEFORE:

B. A. Magnan, Panel Chair/Commissioner
W. M. Everett, QC, Commissioner

on March 24, 2017

ORDER

WHEREAS:

- A. On November 28, 2016, the British Columbia Utilities Commission (Commission) issued Order G-172-16 and accompanying Reasons for Decision approving, among other things, the 2016 revenue requirement in respect of Superior Propane Ltd.'s (Superior) operation of the Seascapes Strata Corporation BCS 776 (Seascapes) grid system;
- B. On December 22, 2016, Seascapes filed an application for reconsideration and variance of Order G-172-16 pursuant to section 99 of the *Utilities Commission Act*. Seascapes seeks a reconsideration of the Commission's determinations regarding insurance costs and the oversight of the cost of gas on the basis that the Commission erred in its interpretation of the facts or law and, as a result, has approved rates that are unjust and unreasonable (Reconsideration Application);
- C. By letter dated January 17, 2017, the Commission established the first phase of the reconsideration process wherein the Commission requested written submissions from Superior addressing whether Seascapes has put forward a *prima facie* case sufficient to warrant a full reconsideration by the Commission through the initiation of the second phase of the reconsideration process. Seascapes was also given the opportunity to respond to Superior's submissions;
- D. Pursuant to Order G-29-17 and accompanying Reasons for Decision, the Commission established the second phase of the reconsideration process with regard to insurance costs and dismissed Seascapes' request for reconsideration and variance related to the oversight of the cost of gas. The Commission also established a regulatory timetable for the second phase of the reconsideration process which included the opportunity for Seascapes to file evidence on insurance costs, one round of information requests on Seascapes' evidence, and the opportunity for Superior to file evidence on insurance costs, with further process to be determined at a later date. The regulatory timetable was subsequently amended by Order G-33-17;
- E. On March 20, 2017, Seascapes and Superior filed a joint letter informing the Commission that the parties have come to a mutual agreement regarding the insurance cost issue and as a result, Superior will reduce the insurance amount from the originally approved \$22,500 to \$15,500. The impact of the reduction in the

cost of insurance is that the 2016 revenue requirement approved by Order G-172-16 is reduced from \$75,293 to \$68,293; and

- F. The Commission has reviewed the mutual agreement filed by Seascapes and Superior and finds that the agreement results in rates that are just and reasonable.

NOW THEREFORE pursuant to sections 58-61 of the *Utilities Commission Act* the British Columbia Utilities Commission orders as follows:

1. Superior Propane Ltd.'s revenue requirement for 2016 is decreased from the amount of \$75,293 approved by Order G-172-16 to \$68,293.
2. Superior Propane Ltd. is directed to submit a compliance filing within 30 days of the date of this order which includes:
 - The revised calculations in respect of the variance between the 2016 interim rate and the revised 2016 permanent rate to be collected from/refunded to customers;
 - The calculations in respect of the variance between the 2016 interim rate and the revised 2017 permanent rate to be collected from/refunded to customers for the months with which Superior has been charging the 2016 interim rate;
 - The proposed timing and method for billing or refunding the 2016 and 2017 under or over-recovery of revenues; and
 - A revised report outlining the proposed rates for 2017.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of March 2017.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner