



ORDER NUMBER
G-188-17

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

and

Sun Peaks Utilities Co., Ltd.
Gas Cost Reconciliation Account and Commodity Rate Increase

BEFORE:

B. A. Magnan, Commissioner
R. I. Mason, Commissioner
R. D. Revel, Commissioner

on December 14, 2017

ORDER

WHEREAS:

- A. On November 14, 2017, Sun Peaks Utilities Co., Ltd. (SPUCL) filed with the British Columbia Utilities Commission (Commission) a Gas Cost Reconciliation Account (GCRA) report, which includes actual and projected GCRA balances (GCRA Report), and requested an increase of \$0.9932 per gigajoule (GJ) in the Total Gas Commodity Charge from \$13.8474/GJ to \$14.8406/GJ for each rate group (Residential, Small Commercial, and Large Commercial), effective December 1, 2017;
- B. By Order G-95-17 dated June 15, 2017, the Commission approved an increase in the Total Gas Commodity Charge to \$13.8474/GJ for SPUCL, effective June 1, 2017;
- C. SPUCL's commodity and transportation costs (Commodity portion) and storage costs (Storage portion) are tracked through two separate balances within the GCRA. The GCRA Report, which includes actuals up to October 31, 2017, shows a \$13,220 deficit balance in the Commodity portion of the GCRA and a \$7,197 surplus balance in the Storage portion of the GCRA, for a total net GCRA deficit balance of \$6,023;
- D. The requested \$0.9932/GJ increase in the Total Gas Commodity Charge comprises of:
 - i. An increase in the Gas Commodity Charge – Propane of \$1.1426/GJ from \$11.8596/GJ to \$13.0022/GJ;
 - ii. An increase in the Gas Commodity Charge – Storage of \$0.1471/GJ from \$1.5018/GJ to \$1.6489/GJ;
and
 - iii. A decrease in the Gas Commodity Charge – GCRA of \$0.2965/GJ from \$0.4860/GJ to \$0.1895/GJ;
- E. The requested increase arises as a result of current and forecast propane commodity, transportation and storage costs; current and forecast propane consumption levels; and the amortization of the outstanding Commodity and Storage portions of the GCRA over a 17-month period;

- F. The requested rate changes, using current delivery rates, would result in an increase in the annual bill before taxes of \$17.88 for an average townhouse consuming 18 GJ annually and \$84.42 for an average single family house residential customer consuming 85 GJ annually; and
- G. The Commission reviewed the GCRA Report and considers that SPUCL's requested rate changes are warranted.

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

1. SPUCL commodity rates are set as follows for each rate group (Residential, Small Commercial, and Large Commercial), effective December 1, 2017:

| Gas Commodity Charges | Rate (per GJ) |
|--------------------------------|---------------|
| Gas Commodity Charge – Propane | \$13.0022 |
| Gas Commodity Charge – Storage | \$1.6489 |
| Gas Commodity Charge – GCRA | \$0.1895 |
| Total Gas Commodity Charge | \$14.8406 |

2. SPUCL is to inform its customers of the approved rates in a timely manner by way of a customer notice.
3. SPUCL is directed to file a report with the Commission by May 31, 2018, on the Gas Cost Reconciliation Account balances, including but not limited to propane price forecasts, commodity cost forecasts and GCRA balances for the following twelve months and, if necessary, proposed changes to commodity rates.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of December 2017.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner