



ORDER NUMBER
G-301-22

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

and

Resort Gas Ltd.
Proceeding to Set Delivery Rates for Resort Gas Ltd.

BEFORE:
T. A. Loski, Panel Chair
E. B. Lockhart, Commissioner

on October 25, 2022

ORDER

WHEREAS:

- A. By Order G-286-21, the British Columbia Utilities Commission (BCUC) initiated a proceeding to set delivery rates for Resort Gas Ltd. (Resort Gas), to set the existing delivery rates as interim and recoverable or refundable, and to establish a regulatory timetable for the review of permanent delivery rates, all effective January 1, 2022;
- B. On December 31, 2021, Resort Gas filed with the BCUC a revenue requirements application pursuant to Order G-286-21 and requested no change to its existing delivery rates, effective January 1, 2022 (Application);
- C. By Orders G-19-22, G-36-22, and G-224-22, the BCUC established a further regulatory timetable for the review of the Application, which included two rounds of BCUC Information Requests (IR) to Resort Gas, and further process to be determined;
- D. Resort Gas' existing basic and delivery rates (Existing Rates) are as follows:

	Basic Charge per Month	Delivery Charge per Gigajoule of Gas Delivered
Rate Group 1 Residential	\$18.00	\$2.8175
Rate Group 2 Small Commercial	\$30.00	\$2.8175
Rate Group 3 Large Commercial	\$120.00	\$3.3175

- E. In the Application and in Resort Gas' responses to the BCUC IRs, Resort Gas indicates, among other things, that the Application is for a one-year period from January to December 2022 and suggests that it may assess whether its basic and delivery rates need to be adjusted in 2023; and
- F. The BCUC has reviewed Resort Gas' responses to the BCUC IRs and determines that setting interim rates for 2023 for Resort Gas is warranted.

NOW THEREFORE pursuant to sections 58 to 61 and 90 of the *Utilities Commission Act* and for the reasons set out in Appendix A attached to this order, the BCUC orders as follows:

1. Resort Gas is directed to set the Existing Rates as interim and recoverable or refundable, effective January 1, 2023, subject to any further determinations made by the BCUC.
2. The BCUC will determine how any variance between approved interim and permanent basic and delivery rates, with interest calculated at the average prime rate of Resort Gas' principal bank for its most recent year, will be refunded to or collected from ratepayers at the time the BCUC renders its final decision on permanent rates, effective January 1, 2023, for Resort Gas.

DATED at the City of Vancouver, in the Province of British Columbia, this 25th day of October 2022.

BY ORDER

Original signed by:

T. A. Loski
Commissioner

Attachment

Resort Gas Ltd.
Proceeding to Set Delivery Rates for Resort Gas Ltd.

REASONS FOR DECISION

1.0 Background

By Order G-286-21 dated September 29, 2021, the British Columbia Utilities Commission (BCUC) initiated a proceeding to set delivery rates for Resort Gas Ltd. (Resort Gas), to set the existing delivery rates as interim and recoverable or refundable, and to establish a regulatory timetable for the review of permanent delivery rates, all effective January 1, 2022.

Pursuant to Order G-286-21, on December 31, 2021, Resort Gas filed with the BCUC a revenue requirements application and requested no change to its existing delivery rates, effective January 1, 2022 (Application). By Orders G-19-22, G-36-22, and G-224-22, the BCUC established a further regulatory timetable for the review of the Application, which included two rounds of BCUC Information Requests (IR) to Resort Gas, and further process to be determined.

The following table sets out Resort Gas' existing basic and delivery rates (Existing Rates):

	Basic Charge per Month	Delivery Charge per Gigajoule of Gas Delivered
Rate Group 1 Residential	\$18.00	\$2.8175
Rate Group 2 Small Commercial	\$30.00	\$2.8175
Rate Group 3 Large Commercial	\$120.00	\$3.3175

In the Application and in Resort Gas' responses to the BCUC IRs, Resort Gas indicates, among other things, that the Application is for a one-year period from January to December 2022¹ and suggests that it may assess whether its basic and delivery rates need to be adjusted in 2023.² Specifically, Resort Gas states that the Application "was not looking at increasing any of the delivery rates or basic rates because we just increased commodity by 71%. [...] There will be a deficit at the end of 2022, but we are hoping the usage will return to normal, propane commodity costs come down and we can look at our basic and delivery rates in 2023."³

2.0 Panel Determination

Given that Resort Gas has indicated that it may request to adjust its basic and delivery rates in 2023, a final determination by the Panel on Resort Gas' delivery rates for 2022 is still pending and the results of that

¹ Exhibit B-2, p. 3.

² Exhibit B-10, BCUC IR 11.2.

³ Exhibit B-10, BCUC IR 11.2.

determination may impact the rates sought by Resort Gas for 2023, the Panel finds that setting interim rates for Resort Gas for 2023 is warranted.

Setting interim rates for 2023 prior to the start of the new year would allow the opportunity for any new rates sought by Resort Gas for 2023 to be effective January 1, 2023. In the absence of either the Panel setting interim rates for 2023 or Resort Gas filing a revenue requirements application for 2023 rates (2023 RRA) prior to the new year, the earliest any new rates sought by Resort Gas for 2023 can be effective is the date that Resort Gas submits its 2023 RRA with the BCUC.

Pursuant to sections 58 to 61 and 90 of the *Utilities Commission Act*, the BCUC has the authority to set interim rates and to reserve further direction for an adjourned hearing or further application. **Therefore, the Panel directs Resort Gas to set the Existing Rates as interim and recoverable or refundable, effective January 1, 2023, subject to any further determinations made by the BCUC.**

Upon the Panel's final determination on Resort Gas' current Application, the Panel may make further direction to Resort Gas with respect to its basic and delivery rates for 2023.