



ORDER NUMBER
G-202-23

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

and

Lake Okanagan Resort
Application to file Permanent Rates

BEFORE:
T. A. Loski, Commissioner

on July 27, 2023

ORDER

WHEREAS:

- A. By Order G-333-19 dated December 18, 2019, the British Columbia Utilities Commission (BCUC) determined that Lake Okanagan Resort (LOR) is a public utility as defined in section 1 of the *Utilities Commission Act* and accepted LOR's current rate schedule on an interim and recoverable basis;
- B. On March 8, 2021, LOR filed an application for approval of interim tariff rates for metered electricity for its customers, which was subsequently approved on an interim basis;
- C. By Order G-80-23 dated April 13, 2023, the BCUC directed LOR to file a submission as to whether (i) permanent rates for LOR should remain the same as the interim rate or (ii) a different permanent rate should be set for LOR along with the basis for the new rate (Permanent Rates Application) by May 15, 2023;
- D. By letter dated May 3, 2023, LOR requested a three-month extension to the filing deadline for its Permanent Rates Application (Extension Request) citing issues with vendor availability, appointment times, and the receipt of price quotations that precluded LOR from completing its submission by the established deadline;
- E. By Order G-108-23 dated May 5, 2023, the BCUC approved LOR's Extension Request and extended the filing deadline for its Permanent Rates Application to August 15, 2023, subject to a monthly reporting requirement;
- F. On June 15, 2023, LOR filed its first progress report, wherein LOR noted that it intends to seek a rate increase in its Permanent Rates Application;
- G. On July 5, 2023, LOR requested a further extension to the filing deadline for its Permanent Rates Application, to November 30, 2023, citing an upcoming busy season at the resort (Additional Extension Request);
- H. On July 14, 2023, LOR filed its second progress report (Progress Report No. 2); and

- I. The BCUC has reviewed LOR's Additional Extension Request and Progress Report No. 2 and finds that the following determinations are warranted.

NOW THEREFORE the BCUC orders as follows:

1. For the reasons attached as Appendix B to this Order, LOR's Additional Extension Request is denied.
2. LOR must file its Permanent Rates Application by doing one of the following:
 - a. Filing with the BCUC its Permanent Rates Application by August 15, 2023; or
 - b. Filing with the BCUC its Permanent Rates Application by November 30, 2023, with the assistance of a BCUC-approved consultant as follows:
 - i. LOR must submit to the BCUC as soon as possible, but by no later than September 15, 2023, the name of the consultant LOR will retain to support preparation of its Permanent Rates Application and the terms of engagement with the consultant for the BCUC's review and acceptance; and
 - ii. LOR must submit to the BCUC by October 30, 2023, a progress report documenting LOR's progress towards completion of the filing of its Permanent Rates Application including, but not limited to, a description of the work on the application that has been completed to date and a list of the deliverables that remain outstanding along with the estimated completion date for each deliverable.
3. An amended regulatory timetable is established as outlined in Appendix A to this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 27th day of July 2023.

BY ORDER

Original signed by:

T. A. Loski
Commissioner

Attachment

Lake Okanagan Resort
Application to file Permanent Rates

REGULATORY TIMETABLE

| Action | Date (2023) | |
|---|--|--|
| | LOR files its Permanent Rates Application by August 15 | LOR does not file its Permanent Rates Application by August 15 |
| LOR Permanent Rates Application | Tuesday, August 15 | N/A |
| LOR submission on consultant name and terms of engagement | N/A | Friday, September 15 |
| LOR progress report | N/A | Monday, October 30 |
| LOR Permanent Rates Application | N/A | Thursday, November 30 |
| Further process | To be determined | To be determined |

Lake Okanagan Resort
Application to file Permanent Rates

REASONS FOR DECISION

1.0 Introduction and Background

By Order G-333-19 dated December 18, 2019, the British Columbia Utilities Commission (BCUC) determined that Lake Okanagan Resort (LOR) was a public utility and therefore subject to regulation under the *Utilities Commission Act* (UCA). Among other things, the BCUC directed LOR to file, as soon as possible, an application for permanent rates, electric tariff, and general terms and conditions for BCUC approval. In that same order, the BCUC accepted LOR's current rate schedule on an interim and recoverable basis and required LOR to file interim tariff pages for endorsement by the BCUC.

Subsequently, the BCUC determined that LOR's interim tariff pages submission was insufficient and did not qualify as a complete interim tariff page application. The BCUC directed LOR to re-file its interim tariff pages for endorsement, including a full interim rate schedule and a comprehensive electric tariff outlining the terms of service between LOR and its customers.¹

On March 8, 2021, LOR filed an application for approval of interim tariff rates for metered electricity for its customers, which was subsequently approved on an interim basis.² LOR's interim tariff pages were accepted by the BCUC on June 16, 2021 and remain in effect today.³

On January 18, 2022, LOR sought BCUC approval for an exemption from certain sections of the UCA. This request was denied on January 26, 2023, and on February 16, 2023, LOR was directed to submit an application for permanent rates by March 18, 2023.⁴

Following a request from LOR for an extension to the filing deadline, on April 13, 2023, the BCUC established this proceeding wherein LOR was directed to file a submission by May 15, 2023 as to whether (i) permanent rates for LOR should remain the same as the interim rate or (ii) a different permanent rate should be set for LOR along with the basis for the new rate (Permanent Rates Application).⁵

1.1 May 2023 Extension Request

On May 3, 2023, LOR requested a 3-month extension to the filing deadline for its Permanent Rates Application established in this proceeding, on the basis that there was limited vendor availability, longer appointment times, and delays in the receipt of price quotations that precluded LOR from completing its submission in time.⁶

¹ Letter L-26-20 dated May 15, 2020.

² Order G-112-21 dated April 14, 2021.

³ Letter L-17-21 dated June 16, 2021.

⁴ Order G-35-23 dated February 16, 2023.

⁵ Order G-80-23 dated April 13, 2023.

⁶ Exhibit B-2, p. 1.

The BCUC granted the extension request and established a new filing deadline of August 15, 2023, subject to a requirement that LOR submit monthly progress reports outlining the active steps LOR was taking to ensure completion of its Permanent Rates Application by the filing deadline, including the identity of any vendors retained.⁷

1.2 July 2023 Extension Request

On July 5, 2023, LOR submitted a further extension request, seeking authorization to file its Permanent Rates Application by November 30, 2023 due to an “upcoming busy season at the resort” (Additional Extension Request).⁸

1.3 Progress Reports

LOR has filed two progress reports in this proceeding to date – Progress Reports No. 1⁹ and No. 2¹⁰, dated June 15, 2023, and July 14, 2023, respectively. In Progress Report No. 1, LOR indicates it will be seeking a rate increase effective October 1, 2023.¹¹ In Progress Report No. 2, LOR indicates it has filed the Additional Extension Request with the BCUC regarding the deadline for its Permanent Rates Application.

2.0 Panel Determination

For the reasons set out below, the Panel denies the Additional Extension Request.

LOR’s rates have been set on an interim basis since 2019. Since that time, LOR has sought multiple extensions to the filing deadline for its Permanent Rates Application.

There is no evidence before this Panel demonstrating that LOR has made any material progress in compiling and submitting its rates application. While in Progress Report No. 1 LOR submits that an increase to its rates is necessary, it only appears to contain headings, rather than actual information or evidence in support of the rate increase. Progress Report No. 2 LOR provides no indication that work on a Permanent Rates Application has advanced in the intervening period. LOR’s sole update in Progress Report No. 2 regarding the Permanent Rates Application is that it has submitted the Additional Extension Request. Progress Report No. 2 provided no information regarding vendors engaged to support preparation of the application, nor any description of other active steps LOR is taking to ensure completion of the Permanent Rates Application was provided. Further, Progress Report No. 2 did not include any information or evidence in support of the rate increase.

Further, the Panel notes that an upcoming busy season at the resort has no bearing on the obligations and responsibilities LOR has as a public utility under the UCA, as LOR is a separate and distinct entity from the resort.

A core aspect of the BCUC’s mandate is to set just and reasonable rates for public utilities. LOR’s delay in filing its Permanent Rates Application, which has been outstanding since in 2019, is preventing the BCUC from

⁷ Exhibit A-2, Order G-108-23.

⁸ Exhibit B-4.

⁹ Exhibit B-3.

¹⁰ Exhibit B-5.

¹¹ Exhibit B-3, p. 2.

fulfilling its mandate. This is untenable and hinders the BCUC's ability to effectively regulate LOR. Further, leaving LOR's interim rates in place for an extended period of time exposes LOR's customers to paying rates that are not just and reasonable and the potential for significant one-time costs should a rate increase, and collection of the difference between the interim and permanent rates, be found to be warranted. Finally, public utilities are required to engage with the BCUC in its regulatory processes and to follow BCUC orders, which LOR has not done adequately. **Accordingly, the Panel finds that LOR must file its Permanent Rates Application by doing one of the following:**

- a. Filing with the BCUC its Permanent Rates Application by August 15, 2023; or
- b. Filing with the BCUC its Permanent Rates Application by November 30, 2023, with the assistance of a BCUC-approved consultant as follows:
 - i. LOR must submit to the BCUC as soon as possible, but by no later than September 15, 2023, the name of the consultant LOR will retain to support preparation of its Permanent Rates Application and the terms of engagement with the consultant for the BCUC's review and acceptance; and
 - ii. LOR must submit to the BCUC by October 30, 2023, a progress report documenting LOR's progress towards completion of the filing of its Permanent Rates Application including, but not limited to, a description of the work on the application that has been completed to date and a list of the deliverables that remain outstanding along with the estimated completion date for each deliverable.