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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-211-15**

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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

an Application by Port Alice Gas Inc.
for Approval to Increase the Basic Charge and Facility Charge

BEFORE: B. A. Magnan, Panel Chair/Commissioner December 21, 2015

O R D E R

WHEREAS:

- A. On December 7, 2015, Port Alice Gas Inc. (PAG) applied to the British Columbia Utilities Commission (Commission) for an order approving an increase in the Basic Charge from \$6.00 per month to \$0.40 per day (nominally \$12.00 per month) and to increase the Facility Charge from \$17.32 to \$38.90 per cubic meter of propane. The charges are to become effective January 1, 2016 (the Application);
- B. The Application states that the Neucel pulp mill is currently not operating and the prospect of the mill returning to full operation is considered unlikely. As a result the population of Port Alice has declined from over 1,700 full-time residents to likely less than 700 on December 7, 2015;
- C. The Application also states that the volume of propane sold in 2010 was in excess of 510,000 litres, but in fiscal 2016 the volumes are expected to decline to 275,000 litres or less;
- D. Despite the decline in propane volumes, the Application claims that most of the costs of operating the utility are fixed or increasing and resulted in losses of \$6,550 for fiscal 2014 and \$10,415 for fiscal 2015. The Application forecasts that without the proposed increases, PAG will be financially unviable; and
- E. The Commission has determined that interim rates should be established.

NOW THEREFORE the British Columbia Utilities Commission orders as follows:

1. The Port Alice Gas Inc. (PAG) application for an order approving an increase in the Basic Charge from \$6.00 per month to \$0.40 per day (nominally \$12.00 per month) and to increase the Facility Charge from \$17.32 to \$38.90 per cubic meter of propane is approved on an interim basis effective January 1, 2016.

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2. Any differences between the interim and permanent rates that are determined by the Commission following final disposition of the Application are subject to refund/recovery, with interest, at the average prime rate of PAG's principal bank for its most recent year in the manner as set out by a Commission order that establishes permanent rates.
3. PAG is to inform customers of the change in rates in their next monthly bill, and to provide a copy of this Order to the Port Alice Community Centre to provide adequate notice to those parties who may have an interest in or be affected by the Application.
4. The Application, together with any supporting materials, will be available for inspection at the Port Alice Community Centre, at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, BC, V6Z 2N3, and will also be available on the Commission's website.
5. A future Commission order will establish a regulatory timetable for the review of the Application.

DATED at the City of Vancouver, In the Province of British Columbia, this 21st day of December, 2015.

BY ORDER

Original signed by:

Panel Chair/Commissioner