



**ORDER NUMBER
G-106-16**

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

and

Sun Peaks Utilities Co., Ltd.
Application for Approval of a Gas Commodity Rate Decrease

BEFORE:

D. M. Morton, Commissioner
D. J. Enns, Commissioner
W. M. Everett, Commissioner
H. G. Harowitz, Commissioner
R. I. Mason, Commissioner

on July 7, 2016

ORDER

WHEREAS:

- A. On June 10, 2016, Sun Peaks Utilities Co., Ltd. (SPUCL) filed an application with the British Columbia Utilities Commission (Commission) to propose a net commodity rate decrease of \$1.95 per gigajoule (GJ) effective August 1, 2016 (Application);
- B. By Order G-206-15 dated December 17, 2015, the Commission set the Gas Commodity Charge - Propane at \$9.300/GJ; the Gas Commodity Charge - Gas Cost Reconciliation Account (GCRA) at \$0.000/GJ; and maintained the Gas Commodity Charge - Storage at \$2.325/GJ, effective January 1, 2016;
- C. In the Application, SPUCL proposes to increase the Gas Commodity Charge - Propane by \$0.425/GJ from \$9.300/GJ to \$9.725/GJ effective August 1, 2016, based on forecast propane prices for July 1, 2016 to April 30, 2018;
- D. In the Application, SPUCL filed a GCRA report, which includes actual GCRA balances up to April 30, 2016 (GCRA Report). At April 30, 2016, the commodity portion and the storage portion of the GCRA balance were surpluses of \$157,270 and \$11,220 respectively, which combined for a total net GCRA surplus balance of \$168,490;
- E. In the Application, SPUCL proposes to set the Gas Commodity Charge - GCRA from \$0.000/GJ to a customer credit of \$2.375/GJ effective August 1, 2016. The projected GCRA account balance at April 30, 2017 will be \$231;
- F. In the Application, SPUCL did not request any changes to the Gas Commodity Charge - Storage;
- G. The net commodity rate change is a decrease of \$1.950/GJ effective August 1, 2016;

- H. By Order G-102-16 dated June 30, 2016, the Commission approved an interim Gas Delivery Charge rate increase of \$0.33/GJ effective August 1, 2016;
- I. Using the interim Gas Delivery Charge, the requested commodity rate changes would result in a decrease in the annual bill before taxes of 6.2% for an average townhouse, 9.7% for an average single family house residential customer, 10.7% for an average small commercial customer, 10.8% for an average large commercial customer and 11.0% for a large hotel; and
- J. The Commission reviewed the GCRA Report and the Application and finds that the requested changes to the commodity rates are warranted.

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

1. The requested Sun Peaks Utilities Co., Ltd. (SPUCL) Gas Commodity Charge - Propane of \$9.725 per gigajoule (GJ) and the Gas Commodity Charge - GCRA credit of \$2.375/GJ are approved, effective August 1, 2016.
2. The SPUCL Gas Commodity Charge - Storage remains unchanged at \$2.325/GJ, effective August 1, 2016.
3. SPUCL is to inform its customers of the approved rates in a timely manner by way of a customer notice.
4. SPUCL is to file with the Commission, in a timely manner, amended Gas Tariff pages in accordance with this order.
5. SPUCL is directed to file a report with the Commission by November 30, 2016, on the Gas Cost Reconciliation Account balances, updated forecast propane costs for the following 12 months and, if necessary, proposed changes to commodity rates. The report should also include an update on options being evaluated to convert SPUCL from propane to natural gas should any significant developments arise.

DATED at the City of Vancouver, in the Province of British Columbia, this 8th day of July 2016.

BY ORDER

Original signed by:

D. M. Morton
Commissioner