



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-176-08

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.b cuc.com>

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

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

and

An Application by Sun Peaks Utilities Co., Ltd.
for Approval of Amendments to Customer Rates
and Acceptance of a Services Agreement
with Terasen Energy Services Inc.

BEFORE: L.F. Kelsey, Commissioner
P.E. Vivian, Commissioner November 27, 2008
D.A. Cote, Commissioner

O R D E R

WHEREAS:

- A. By Order G-145-07 dated November 29, 2007, the British Columbia Utilities Commission (the "Commission") approved changes to commodity rates for residential, small commercial and large commercial customers of Sun Peaks Utilities Co., Ltd. ("SPUCL"), effective December 1, 2007; and
- B. By Order E-18-08 dated October 23, 2008, the Commission accepted for filing a Propane Supply Contract with MP Energy for the supply of liquid propane commencing April 1, 2008 and directed SPUCL to file a report on the propane price paid for the hedged component of winter propane supply; and
- C. On November 14, 2008, SPUCL filed an application (the "Application") to amend commodity rates for residential, small commercial and large commercial customers effective December 1, 2008, as a result of an increase in propane costs and changes to the fees that it pays to Terasen Energy Services Inc. ("TES"); and
- D. In the Application SPUCL also requests approval of a new Services Agreement (the "Agreement") with TES dated September 1, 2008; and
- E. In the Application SPUCL reported the fixed prices for the hedged component of propane supply for winter 2008/09; and
- F. In the Application SPUCL requests approval to increase the Gas Commodity Charge - GCRA, which is a charge to repay a debit balance in the Commodity portion of the Gas Cost Reconciliation Account ("GCRA"), from zero to \$1.34/GJ. SPUCL also requests approval to increase the Gas Commodity Charge - Propane from

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\$17.33/GJ to \$19.46/GJ, to eliminate the Gas Commodity Charge – TES, to increase the Gas Commodity Charge – Storage from \$1.1905/GJ to \$2.0405/GJ, and to reduce Delivery Charges by \$0.25/GJ; and

- G. The combined effect of the proposed changes would increase variable rates by \$3.47/GJ. This would increase the annual bill for typical customers by 10.3 percent for a townhouse, by 14.4 percent for a detached house, and by 15.7 percent for a Large Commercial customer; and
- H. In response to an Information Request, SPUCL stated that, to the extent that its profit is considered excessive in a particular year, SPUCL would be agreeable to crediting the excess amount to the GCRA – Commodity account; and
- I. The Commission has considered the increase in propane costs and other fees, and finds that changes to customer rates are necessary.

NOW THEREFORE the Commission orders as follows:

1. Pursuant to section 61(4) of the *Utilities Commission Act* (the “UCA”), the Commission approves the changes to SPUCL rates as set out in the Application, effective December 1, 2008, subject to the condition that if the Commission finds that SPUCL’s actual Earned Return in a year is greater than its allowed Earned Return, the excess Earned Return amount will be credited to the GCRA – Commodity account.
2. Pursuant to section 71 of the UCA, the Commission accepts the Agreement for filing.
3. SPUCL is to inform its customers of the approved rates in a timely fashion, by way of a Customer Notice.
4. By November 15, 2009, SPUCL is directed to file with the Commission a report on GCRA balances, forecast propane costs for the following 12 months and proposed commodity rates to be effective December 1, 2009.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of November 2008.

BY ORDER

Original signed by

L.F. Kelsey
Commissioner