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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER G-60-08**

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

and

An Application by Cal-Gas Inc.  
for Approval of an Increase to Propane Rates for the  
Propane Gas Grid System at the Kicking Horse Mountain Resort

**BEFORE:** L.F. Kelsey, Commissioner  
P.E. Vivian, Commissioner  
March 27, 2008

### **O R D E R**

#### **WHEREAS:**

- A. By Order No. C-16-01 dated November 12, 2001, the Commission approved for Cal-Gas Inc. ("Cal-Gas") a Certificate of Public Convenience and Necessity ("CPCN") to construct and operate underground propane grid systems at Kicking Horse Mountain Resort (the "Resort") near Golden, British Columbia; and
- B. By Order No. C-19-06 dated October 27, 2006, the Commission issued a CPCN that expanded the area at the Resort to be served by the propane grid system, and approved an Amended Agreement with Kicking Horse Mountain Development Corporation and Terms and Conditions of Service and Rate Schedules for the Resort; and
- C. By letter dated March 3, 2008, Cal-Gas applied for Commission approval of an increase in propane rates effective April 15, 2008 (the "Application"); and
- D. Cal-Gas proposes that the variable propane rate to be charged to customers at the Resort will continue to be a market rate determined on a monthly basis consisting of the monthly weighted average of the Shell Jumping Pound refinery price for propane plus a variable delivery and margin charge, and that the variable delivery and margin charge increase from \$0.065/litre to \$0.1035/litre; and
- E. Cal-Gas submits that the rate increase is justified by increases in transportation and operating costs, and that the \$0.0385/litre increase will increase a customer's invoice by 8.65 percent; and
- F. By letter dated March 19, 2008, Cal-Gas responded to a Commission Information Request; and
- G. Cal-Gas states that it will inform customers at the Resort by March 28, 2008 of the Application for a rate increase, and will make the Application and related documentation available to customers at its office in Golden, British Columbia; and

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- H. Section 61 of the Utilities Commission Act (“Act”) provides that when the Commission receives a complaint from a person whose interests are affected by a rate increase pursuant to Section 61(4) of the Act, the Commission may within 60 days direct an inquiry into the new rates and following the inquiry may amend the rates and order a refund; and
- I. The Commission has reviewed the Application and the supporting documentation and has determined that an increase in the propane rates for the Resort is needed.

**NOW THEREFORE** pursuant to Section 61(4) of the Act, the Commission orders as follows:

1. The Commission approves, effective April 15, 2008, propane charges for customers at the Resort that are the monthly weighted average posted propane price at the Shell Jumping Pound refinery plus a delivery and margin charge of \$0.1035/litre, with the delivery and margin charge consisting of the following components:
  - Primary Freight from Refinery to Golden of \$0.0202/litre
  - Secondary Freight from Golden to Resort of \$0.0191/litre
  - Operating Margin of \$0.0642/litre
2. Cal-Gas will file amended Rate Schedules that accord with the terms of this Order in a timely fashion.
3. Cal-Gas will provide a copy of this Order to all customers at the Resort within 20 calendar days of the date of this Order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 27<sup>th</sup> day of March 2008.

BY ORDER

*Original signed by*

L.F. Kelsey  
Commissioner