



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-29-09**

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

and

An Application by Corix Multi-Utility Services Inc.
for Approval of a Propane Supply Agreement
and Approval of a Decrease to the Gas Cost Recovery Charge
Panorama Mountain Resort

BEFORE: L.F. Kelsey, Commissioner
P.E. Vivian Commissioner March 19, 2009
D.A. Cote, Commissioner

O R D E R

WHEREAS:

- A. On March 9, 2009, Corix Multi-Utility Services Inc. ("Corix") filed a propane supply contract between Superior Propane and Corix dated February 5, 2009, for propane purchases during the period April 2009 through March 2010 (the "Propane Supply Agreement"). The Propane Supply Agreement establishes a fixed price for a portion of Corix's requirements, while the remainder will be purchased at the Superior Variable Retail Price; and
- B. The March 9, 2009 filing of the Propane Supply Agreement included a proposed contract to establish a fixed price for the other propane requirements of Corix. By letter dated March 15, 2008, Corix advised that it had decided not to proceed with the proposed contract, and withdrew it from British Columbia Utilities Commission ("Commission") consideration; and
- C. On March 9, 2009, Corix also applied for Commission approval to reduce the Gas Cost Recovery Charge for Panorama Mountain Resort ("Panorama") from \$19.692 to \$16.898 per gigajoule effective April 1, 2009, to reflect a forecast decrease in the cost of propane and to recover the debit balance in its Gas Cost Reconciliation Account ("GCRA"); and
- D. Corix estimates that the GCRA will have a debit balance of \$9,462 as of March 31, 2009 and proposes to recover this amount in rates by March 31, 2010; and
- E. Corix used an unaccounted for gas ("UAF") factor of 4 percent in its calculation of rates; and

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- F. The proposed rate would result in a \$89 per year (8.2 percent) reduction in the annual bill of a typical residential customer and a 9.6 percent reduction in the annual bill of a typical commercial customer; and
- G. In October 2008, pursuant to a directive in Order G-24-08, Corix filed a report on the non-sales use of propane at Panorama, and on March 10, 2009, filed a follow-up report. As a result of its investigations in this area, Corix reduced both vapourizer fuel usage and unaccounted-for gas on the system; and
- H. The Commission has reviewed the submissions by Corix, and has determined that it should accept the Propane Supply Agreement for filing and approve an increase in the Gas Cost Recovery Charge.

NOW THEREFORE the Commission orders as follows:

1. The Commission accepts the Propane Supply Agreement for filing as an energy supply contract pursuant to section 71 of the Utilities Commission Act, and will hold this document and related filings confidential.
2. Corix is directed to undertake a competitive bidding process when it is arranging the propane supply to take effect April 1, 2010 and, when it files the supply agreement that results, to include information supporting the competitiveness of the arrangement.
3. Corix is directed to file by February 28, 2010, a report on its variable priced propane purchases since April 1, 2009, showing for each delivery the delivered cost of propane at Panorama and the corresponding wholesale posted rack price at the facility where the supply was sourced.
4. The Commission approves a Gas Cost Recovery Charge of \$16.898 per gigajoule for Corix, effective April 1, 2009.
5. The Commission accepts the October 2008 report and the March 10, 2009 follow-up report on the non-sales use of propane at Panorama, as fulfilling the directive in Order G-24-08.

DATED at the City of Vancouver, in the Province of British Columbia, this 19th day of March 2009.

BY ORDER

Original signed by:

D.A. Cote
Commissioner