



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-52-10**

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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 an Increase to the Gas Cost Recovery Charge
Panorama Mountain Resort

BEFORE: L.F. Kelsey, Commissioner March 18, 2010
D.A. Cote, Commissioner

O R D E R

WHEREAS:

- A. On February 26, 2010, Corix Multi-Utility Services Inc. (Corix) filed an Application to Change the Gas Cost Recovery Charge for Propane Service at Panorama Mountain Resort, effective April 1, 2010 (the Filing); and
- B. The Filing sought approval to increase the Gas Cost Recovery Charge for Panorama Mountain Resort (Panorama) from \$16.898 to \$18.245 per gigajoule effective April 1, 2010, to reflect a forecast increase in the cost of propane and to recover the debit balance in its Gas Cost Reconciliation Account (GCRA); and
- C. Corix estimates that the GCRA will have a debit balance of \$62,651.37 as of March 31, 2010 and proposes to recover this amount in rates by March 31, 2012; and
- D. Corix used an unaccounted for gas (UAF) factor of 6 percent in its calculation of rates; and
- E. The proposed rate would result in a \$50 per year (5 percent) increase in the annual bill of a typical residential customer and a 6 percent increase in the annual bill of a typical commercial customer; and
- F. 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
- G. In February 2010 Corix met with Commission staff to advise of a significant increase in 2009/2010 UAF volumes in excess of 10 percent; and

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H. The Commission has reviewed the submissions by Corix, and has determined that the proposed UAF factor of 6 percent for the April 1, 2010 through March 31, 2011 period is excessive in comparison to historic UAF usage.

NOW THEREFORE the Commission orders as follows:

1. Corix is directed to re-calculate the Gas Cost Recovery Charge to be effective April 1, 2010 using a 4 percent UAF factor that is consistent with prior periods and similar propane utility service providers. The Filing is to be revised and submitted to the Commission for approval.
2. Commencing April 1, 2010 Corix is directed to use the lesser of the actual UAF volumes or 4 percent in the determination of the costs to be accrued in the Gas Cost Reconciliation Account (GCRA).
3. In the event that post April 1, 2010 UAF volumes exceed 4 percent, Corix may apply to the Commission to include additional UAF volumes in the GCVA determination, providing the justification for same.
4. Corix is directed to file an Annual Contracting Plan for its intended propane purchases, which shall include 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. The Commission will hold this document and related filings confidential.

DATED at the City of Vancouver, in the Province of British Columbia, this 18th day of March 2010.

BY ORDER

Original signed by:

D.A. Cote
Commissioner