



**ORDER NUMBER
C-2-18**

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

and

Resort Gas Ltd.
Application for a Certificate of Public Convenience and Necessity
for the Propane Grid System to Serve the Sun Peaks Resort Area

BEFORE:

D. J. Enns, Commissioner

on May 25, 2018

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

WHEREAS:

- A. By Order C-11-98 dated June 30, 1998, the British Columbia Utilities Commission (BCUC) granted a Certificate of Public Convenience and Necessity (CPCN) for Sun Peaks Utilities Co., Ltd. (SPUCL) to serve the Sun Peaks resort community and surrounding area by way of an underground propane grid distribution system, including related propane storage and vaporizer equipment;
- B. On August 3, 2017, SPUCL filed an application with the BCUC requesting approval to transfer its gas utility operations to Resort Gas Ltd., which is wholly owned by Sun Peaks Resort LLP (gas operations transfer application). SPUCL submitted that the transfer was necessary as Sun Peaks Mountain Resort Municipality intended to take over the provision of water and wastewater services to its residents by acquiring all the shares of SPUCL from Sun Peaks Resort LLP. In order for Sun Peaks Resort LLP to retain ultimate ownership of the propane gas utility, it needed to transfer gas assets and gas-related liabilities to Resort Gas Ltd.;
- C. In the gas operations transfer application proceeding, there was one round of information requests where SPUCL stated that Resort Gas Ltd. was seeking an updated CPCN in the name of Resort Gas Ltd. and will provide tariff pages in the name of Resort Gas Ltd.;
- D. By Order G-161-17 dated October 24, 2017, the BCUC approved the transfer of SPUCL's gas utility operations to Resort Gas Ltd., subject to the following conditions:
 - I. Resort Gas Ltd. shall submit to the BCUC, for approval, a revenue requirements application no later than 365 days from the transfer of the gas utility operations to Resort Gas Ltd.
 - II. Resort Gas Ltd. shall not, without prior approval from the BCUC:
 - i. In any one year, pay more than 10 percent of the original principle of the debt transferred to Resort Gas Ltd. from SPUCL;

- ii. Seek recovery, from ratepayers, of carrying costs associated with the debt transferred to Resort Gas Ltd. from SPUCL. The regulatory treatment of this debt shall be reviewed during Resort Gas Ltd.'s first revenue requirement application; or
 - iii. Modify the terms and conditions of the debt transferred to Resort Gas Ltd. from SPUCL.
- E. Section 45 of the *Utilities Commission Act* (UCA) requires that a person obtain a CPCN before construction or operation of a public utility plant or system while section 46(2) of the UCA gives the BCUC discretion whether or not to hold a hearing; and
- F. Based on the submissions and evidence filed in the above public proceedings, the BCUC determines that granting a CPCN for Resort Gas Ltd. is necessary and in the public interest.

NOW THEREFORE pursuant to sections 45, 46(2) and 46(3) of the *Utilities Commission Act*, the British Columbia Utilities Commission grants a Certificate of Public Convenience and Necessity to Resort Gas Ltd., a division of Sun Peaks Resort LLP, to serve the Sun Peaks resort community and surrounding areas by way of an underground propane grid system.

DATED at the City of Vancouver, in the Province of British Columbia, this 25th day of May 2018.

BY ORDER

Original Signed By:

D. J. Enns
Commissioner