

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3
CANADA



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-52-98

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 R 334 Enterprises Ltd.
for an Exemption to Service Propane Customers at Big White Ski Resort

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair)
F.C. Leighton, Commissioner) June 4, 1998
P.G. Bradley, Commissioner)

O R D E R

WHEREAS:

- A. On July 13, 1997, Big White Ski Resort Ltd. ("Big White") contacted the Commission indicating that it intended to develop an underground propane grid system to replace the individual tanks that provide bottled propane service to commercial buildings in the area. On July 15, 1997, the Commission provided Pushor Mitchell, lawyers representing Big White, with details concerning provincial regulation of an underground propane grid system under the Utilities Commission Act ("the Act"); and
- B. On October 31, 1997, Big White informed the Commission that a propane grid distribution system had already been constructed by its subsidiary R 334 Enterprises Ltd. ("R 334"), expressed its intention to apply for a Certificate of Public Convenience and Necessity ("CPCN"), and requested interim approval to operate the system; and
- C. The R 334 application included a letter, dated October 22, 1997, from the Safety Engineering Services office of the Ministry of Municipal Affairs in Kelowna, stating that the Gas Safety Branch supported the installation of underground propane grid systems as they eliminated several propane tank installations and related safety concerns; and
- D. On November 26, 1997, with the support of all eight commercial customers currently receiving propane service via the underground grid system, R 334 filed an Application ("the Application") requesting an exemption from regulation as a public utility under Part 3 of the Act. Concurrently, R 334 applied for a CPCN to construct and operate the already in-place underground propane distribution grid system serving the eight commercial customers at Big White; and
- E. On December 18, 1997, the Commission issued CPCN Order No. C-10-97 to R 334 that allowed the utility to service the eight commercial customers. Order No. C-10-97 placed conditional restrictions on R 334 indicating that other permits, approvals and licences were required to be obtained from other agencies; and
- F. The Commission has considered the Application for exemption from public utility status and is satisfied that an Order exempting R 334 from certain sections of the Act properly conserves the public interest; and

G. On May 27, 1998, the approval of the Lieutenant Governor in Council was given to the said exemption by Order in Council No. 0669, 1998 which is attached as Appendix A.

NOW THEREFORE the Commission orders as follows:

1. Pursuant to Section 88(3) of the Act, the Commission approves for R 334 an exemption from Section 71 and the application of Part 3 of the Act, other than Section 22, for its underground propane distribution grid system as defined by Certificate of Public Convenience and Necessity Order No. C-10-97.
2. The Commission will review the exemption covered by this Order should the R 334 grid system be expanded to include a total of 15 commercial customers and/or residential loads as contemplated in the development plans for the Big White area.
3. R 334 is required to advise the Commission, in advance of construction, of any significant development plans for Big White that require the expansion of the underground propane grid system.
4. R 334 is required to develop, for review and approval by the Commission, a Gas Tariff, and Terms and Conditions of Service, all of which is required to be filed by July 31, 1998.
5. R 334 is required to provide to current customers, as well as any proposed new customers, a copy of this Order, CPCN No. C-10-97, and information regarding its status of exemption from regulation including the right of all customers to complain to the Commission.
6. R 334 is required to file an Annual Report with the Commission within four months of its fiscal year-end.
7. The Commission may, pursuant to Section 99 of the Act, reconsider, vary or rescind an Order made by it.

DATED at the City of Vancouver, in the Province of British Columbia, this 10th day of June, 1998.

BY ORDER

Original signed by:

Peter Ostergaard
Chair

Attachment

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 0669, Approved and Ordered MAY 27 1998



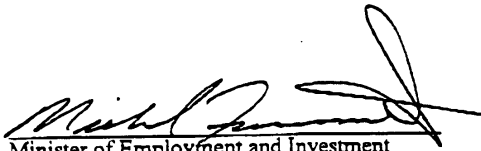
Lieutenant Governor

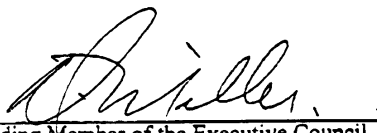
Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that

approval is given to the British Columbia Utilities Commission to exempt R334 Enterprises Ltd. from

- (a) Part 3 of the Utilities Commission Act, except section 22 of that Act, and
- (b) Section 71 of the Utilities Commission Act.



Minister of Employment and Investment

Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: Utilities Commission Act, section 66 (3)
