

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-64-05

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 Big White Gas Utility Ltd.
for an Exemption to Service Propane Customers at Big White Ski Resort**

BEFORE: L.F. Kelsey, Commissioner June 13, 2005

O R D E R

WHEREAS:

- A. Big White Gas Utility Ltd. ("Big White Gas", "the Company") [formerly known as R 334 Enterprises Ltd. ("R 334")] operates an underground propane grid system at Big White Ski Resort; and
- B. On November 26, 1997, with the support of all eight commercial customers receiving propane service via the underground grid system, R 334 filed a request for exemption from regulation as a public utility under Part 3 of the Utilities Commission Act ("the Act"). Concurrently, R 334 applied for a Certificate of Public Convenience and Necessity ("CPCN") to construct and operate the already in-place underground propane distribution grid system serving the eight commercial customers at Big White; and
- C. 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; and
- D. 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; and
- E. On June 4, 1998, the Commission issued Order No. G-52-98 that approved 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 CPCN Order No. C-10-97; and
- F. Commission Order No. G-52-98 stated that the Commission would review the exemption should the R 334 grid system be expanded to include a total of 15 commercial and/or residential loads; and
- G. On February 28, 2005, Big White Gas filed an Application ("the Application") that requests the Commission undertake a review of the current exemption and allow the system to be expanded for additional end-users while maintaining an exempt status from normal utility regulation; and
- H. The Application states that the system continues to operate on a small scale with approximately 101 users and that propane continues to be supplied to end-users pursuant to the terms of a propane services agreement and tariff previously approved by the Commission. Also, customers are informed of Big White Gas's status of exemption from regulation including the right of all customers to complain to the Commission; and

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-64-05

2

- I. The Application states that the necessary gas safety inspections and tests have been conducted by Big White Gas on the operating system as it continues to expand and that the system has operated without incident since commencing operations in November of 1997; and
- J. The Commission has received one customer complaint since commencement of operations. The Commission issued a letter to the complainant on April 4, 2005 clarifying that a signed propane supply contract between Big White Gas and its customers is not required by the Commission and considers the complaint resolved; and
- K. The Commission has reviewed the Application and finds that extending the exemption beyond May 31, 2006 is not warranted.

NOW THEREFORE the Commission orders as follows:

- 1. The customers currently served on the Big White grid system exceeds the threshold allowed in Commission Order No. G-52-98. Pursuant to Section 99 of the Act, the Commission directs that the Big White Gas exemption granted under Section 88(3) of the Act will terminate on May 31, 2006.
- 2. The Commission directs that normal utility regulation of Big White Gas will commence effective June 1, 2006.
- 3. Big White Gas is to file by April 28, 2006 an application for revenue requirements and revised Gas Tariff rate schedules for its fiscal year commencing on June 1, 2006.
- 4. The fiscal 2006 Annual Report to the Commission for the year ended May 31, 2006 to be filed by Big White Gas can be in the same format and content as in prior annual reports filed by the Company.
- 5. Pursuant to Section 49 of the Act and Commission Letter No. L-36-94, Big White Gas is to file its Annual Report, for the fiscal year ended May 31, 2007, to the Commission within four months after the end of the financial year in the form and manner prescribed by the Commission.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of June 2005.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner