



ORDER NUMBER
G-96-19

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

and

Resort Gas Ltd.
Compliance Filing Pursuant to Order G-161-17
Revenue Requirements Application Extension Request

BEFORE:

B. A. Magnan, Commissioner

on May 2, 2019

ORDER

WHEREAS:

- A. On March 27, 2019, Resort Gas Ltd. (Resort Gas) filed with the British Columbia Utilities Commission (BCUC) a request to further extend the filing date of the Revenue Requirements Application (RRA) from March 31, 2019 to January 31, 2020. The request would vary Directive 1(a) of Order G-161-17, as amended by Order G-252-18, which directed Resort Gas to file with the BCUC the RRA within 365 days from the transfer of the gas utility operations from Sun Peaks Mountain Resort Municipality (SPMRM) to Resort Gas;
- B. On August 3, 2017, pursuant to section 52 of the *Utilities Commission Act*, Sun Peaks Utilities Co., Ltd (SPUCL) applied to the BCUC for approval of the sale of all assets and liabilities relating to the gas utility operated by SPUCL to Resort Gas. SPUCL submitted that the transfer was considered necessary as SPMRM intended to take over the provision of water and wastewater services to its residents by acquiring all of the shares of SPUCL from Sun Peaks Resort LLP. Before the sale of the shares occurred, the gas assets and gas-related liabilities were required to be transferred to the newly created Resort Gas in order for Sun Peaks Resort LLP to retain ultimate ownership of the propane gas utility;
- C. On October 24, 2017, the BCUC issued Order G-161-17, approving the transfer of SPUCL gas utility operations to Resort Gas subject to conditions including, but not limited to, Directive 1(a): "Resort Gas Ltd. shall submit to the Commission, for approval, a revenue requirements application no later than 365 days from the transfer of the gas utility operations to Resort Gas Ltd.";
- D. SPMRM confirmed that the transfer of gas utility operations was completed on October 31, 2017;
- E. On October 15, 2018, SPMRM, on behalf of Resort Gas, applied for a 2-month extension to the RRA filing date from October 31, 2018 to December 31, 2018. SPMRM provided the BCUC with a memorandum of understanding (MOU) indicating they were undertaking an assessment to determine the feasibility of modifying the propane system to operate on natural gas and exploring design alternatives to bring natural gas to Sun Peaks. SPMRM submitted that the contemplated changes would reduce energy commodity rates

and carbon emissions, and that the proposed extension would allow for further review of the potential changes. As an interim measure for regulatory efficiency, the BCUC granted the proposed extension in a staff letter on October 22, 2018;

- F. On December 14, 2018, SPMRM, on behalf of Resort Gas, applied for a further 3-month extension to the RRA filing date from December 31, 2018, to March 31, 2019, to allow for additional review of the proposed transition to natural gas and for the preparation of 2018 financial statements. On December 21, 2018, the BCUC issued Order G-252-18 granting the proposed extension;
- G. Resort Gas submits that further time is required to finalize details and costs regarding the construction of a natural gas pipeline, conversion of its distribution system from propane to natural gas, and the potential sale of Resort Gas assets. Resort Gas provided the BCUC with an additional MOU dated March 21, 2019, indicating that Resort Gas anticipates having transition details finalized and an agreement in place prior to December 31, 2019;
- H. Resort Gas has requested an extension to filing the RRA, pending the outcome of ongoing studies and negotiations; and
- I. The BCUC has reviewed the request and has determined a variance to Directive 1(a) of Order G-161-17, as amended by order G-252-18, is warranted.

NOW THEREFORE pursuant to section 77 of the *Utilities Commission Act*, the BCUC orders as follows:

- 1. Directive 1(a) of Order G-161-17, as amended by Order G-252-18, is varied, and Resort Gas's request for an extension to the filing date of its RRA is approved. Resort Gas is directed to file its RRA with the BCUC by January 31, 2020.
- 2. The BCUC will hold confidential the MOU regarding the conversion of Resort Gas's propane distribution system to natural gas, on the basis that it contains commercially sensitive information.
- 3. Resort Gas is directed to file quarterly progress reports with the BCUC outlining the progress made in arrangements to transition the Resort Gas distribution system to natural gas, including any milestones met or material changes to plans outlined in the MOU. Resort Gas is directed to file the reports until a transition agreement is filed with the BCUC or negotiations are discontinued, with the first report due July 31, 2019.

DATED at the City of Vancouver, in the Province of British Columbia, this 2nd day of May 2019.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner