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Sent: September-02-16 4:15 PM

To: Pat Miller <pmiller@sunpeaksresort.com>

Subject: Additional IRs

Hi Pat, as discussed today, please provide your responses to the additional Information Requests from staff. If you could provide your responses within the next 10 business days, it would be greatly appreciated.

1) Given SPUCL's response in BCUC IR 4.2, stating that the "owner of the property is the customers of the utility," would SPUCL agree that it is more reasonable that the proposed wording of section 2.4 of the Gas Tariff reflect the owner and not the tenant. Accordingly, the proposed wording should be amended as such:

"Change in Ownership or Tenancy of Property - When there is a change in ownership ~~or tenancy~~ of property, the property seller should ensure that the Utility bill is paid before transfer of the title to the purchaser. Where there is a change in ownership ~~or tenancy~~ of property, it is the responsibility of the new owner ~~and/or new Tenant~~ to ensure: ..." Please explain why or why not.

2) Referring to the proposed sections of 2.4 (a), (b), and (c) of the Gas Tariff, if not approved, please explain how SPUCL would treat the uncollectible debt. For example, would it a) write off the uncollectible amounts to bad debts expense, b) advance a claim through a third party collection agency, or c) take up the matter in small claims court, d) other? Please explain.

4) On Schedule 5 (page 8) of the Application, SPUCL indicates that "Bad debts expense in F2014 and F2015 related to uncollected late fees. No further bad debts are expected." It is reasonable to assume the none of the bad debts expense in F2014 and F2015 are related to unpaid bills due to change in ownership? If not, please clarify the proportion of uncollected bills in F2014 and F2015 related to change in ownership and who has been responsible for these amounts in the past?

5) SPUCL did not record bad debts expense for F2016 nor projected for F2017. If the proposed sections of 2.4 (a), (b), and (c) of the Gas Tariff were not approved, would it be reasonable for SPUCL to consider including a reasonable amount in the F2017 Bad Debts expense? If yes, please provide justification of and what the reasonable amount would be.

6) Given SPUCL's section 5.1 "Security for Payment of Bills" that is included in the current Gas Tariff, please further explain the necessity of the proposed section 2.4.

7) It does not appear that SPUCL provided a complete response to BCUC IR 1.3. The original question refers to Schedule 5 of the Application where it states "Beginning in F2016, SPR LLP, stopped charging separately for office rent and increased the \$2,000/mo. Administration fee to \$3,000/mo of which 1/3 is allocated to the Gas Division." BCUC IR 1.3 then asks "Given that 1/3 of the \$1,000 increase (1/3 x \$1,000 = \$333) in office rent is allocated to the Gas Division, please explain the \$4,000 increase to the Line item "Office rent & admin charge" for 2016. Please provide a respond to the original IR question.

Thanks Pat,

Yolanda Domingo, CPA, CMA

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