bcuc
British Columbia
Utilities Commission

Patrick Wruck
Commission Secretary

Commission.Secretary@bcuc.com
bcuc.com

Suite 410, 900 Howe Street
Vancouver, BC Canada V6Z 2N3
P: 604.660.4700
TF: 1.800.663.1385
F: 604.660.1102

October 24, 2017

Sent via eFile/email

Darcy Alexander
Sun Peaks Utilities Co., Ltd.
1280 Alpine Road
Sun Peaks, BC V0E 5N0
dla@sunpeaksresort.com

Re: Sun Peaks Utilities Co., Ltd. – Application for Approval to Transfer Gas Utility Operations to Resort Gas Ltd. – Project No. 1598926

Dear Darcy Alexander:

Further to your application dated August 3, 2017, enclosed please find British Columbia Utilities Commission Order G-161-17.

Sincerely,

Original Signed By Ian Jarvis for:

Patrick Wruck
Commission Secretary

/nd
Enclosure
cc: Mr. Brian MacKay
DLA Piper (Canada) LLP
brian.mackay@dlapiper.com

bcuc
British Columbia
Utilities Commission

Suite 410, 900 Howe Street
Vancouver, BC Canada V6Z 2N3
bcuc.com

P: 604.660.4700
TF: 1.800.663.1385
F: 604.660.1102

ORDER NUMBER
G-161-17

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

and

Sun Peaks Utilities Co., Ltd.
Application for Approval to Transfer its Gas Utility Operations to Resort Gas Ltd.

BEFORE:
D. J. Enns, Commissioner

on October 24, 2017

ORDER

WHEREAS:

A. On August 3, 2017, Sun Peaks Utilities Co., Ltd. (SPUCL) applied to the British Columbia Utilities Commission (Commission) pursuant to section 52 of the *Utilities Commission Act* (UCA) for approval of the sale to Resort Gas Ltd. of all of the assets and liabilities relating to the gas utility currently operated by SPUCL (Application);

B. SPUCL submits that the transfer is considered necessary as Sun Peaks Mountain Resort Municipality (Municipality) intends 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 occurs, the gas assets and gas-related liabilities must be transferred to the newly created Resort Gas Ltd. in order for Sun Peaks Resort LLP to retain ultimate ownership of the propane gas utility;

C. Electoral approval was obtained and on July 25, 2017, the Municipality passed borrowing bylaws with respect to both the water and sewer utilities;

D. SPUCL notified its propane gas customers of the proposed asset transfer via a newsletter included in the monthly invoices and as of the time of filing the Application, SPUCL had not received any negative responses to the proposed transaction;

E. The Asset Sale Agreement to transfer the gas assets and gas-related liabilities is set to close on or before October 31, 2017;

F. The Commission issued Order G-132-17 on August 24, 2017 establishing a written hearing process to review the Application;

G. On September 7, 2017, the Commission issued Information Request No. 1 to SPUCL and SPUCL responded to the information request on September 22, 2017;

H. On September 29, 2017, the Commission issued Panel Information Request No. 1 to SPUCL with respect to debt owed by SPUCL that it requests to be transferred to Resort Gas Ltd. and SPUCL responded on October 3, 2017;

I. The Commission did not receive any comments from customers therefore SPUCL did not provide a response to any comments; and

J. The Commission has reviewed the Application and considers approval is warranted subject to certain conditions considered necessary and desirable in the public interest.

NOW THEREFORE in accordance with section 52 of the *Utilities Commission Act*, the British Columbia Utilities Commission orders as follows:

1. The application by Sun Peaks Utilities Co., Ltd. for approval to transfer its gas utility operations to Resort Gas Ltd. is approved subject to the following conditions:
    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.
    b. Resort Gas Ltd. shall not, without prior approval from the Commission:
        i. In any one year, pay more than 10 percent of the original principle of the debt transferred to Resort Gas Ltd. from Sun Peaks Utilities Co., Ltd.;
        ii. Seek recovery, from ratepayers, of carrying costs associated with the debt transferred to Resort Gas Ltd. from Sun Peaks Utilities Co., Ltd. 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 Sun Peaks Utilities Co., Ltd.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of October 2017.

BY ORDER

Original Signed By:

D. J. Enns
Commissioner