

**Big White Gas Utility**  
**Application to Amend Rates**

**November 10, 2020**

## Overview

Big White Gas Utility (the “Utility”) operates a propane distribution utility system serving residential and commercial customers in the area of Big White Ski Resort (the “Resort”). The Resort wholly owns the Utility.

The Utility system is made up of:

- Main and local service lines;
- A main distribution meter;
- Two vapourizers and associated meters;
- An emergency shut-down and alarm system;
- A building housing the vapourizers, meters, and emergency systems;
- Four system storage tanks, with a combined useable capacity of 400,000 litres;
- Several small, off-system storage tanks; and
- Meters and other parts in inventory.

The Utility leases the tanks and vapourizers from Superior Propane, which supplies the propane gas in bulk. Superior Propane also owns the main distribution meter. All other equipment is owned by the Utility. The property on which the propane plant (that is, the tanks, related equipment, and building) is situated is leased from the Crown.

The Utility’s customers are currently charged at rates made up of a monthly minimum charge and a consumption charge (billed in gigajoules).

The current minimum charge is \$45.00 per month for commercial customers, and \$10.00 per month for residential customers. These charges are set out on the special rate schedule.

The minimum charge is currently levied monthly to each customer, and applies only in cases where this charge exceeds the consumption charge. With this Application, the Utility is proposing to change this minimum charge to a basic charge, applicable each month in addition to the consumption charge. The Utility is proposing that this basic charge be set at the same level as the prevailing minimum charge.

The consumption charge is set as a per-litre increment over the bulk market price per litre paid by the Utility to its supplier, Superior Propane. The current rate is found by adding \$0.12 per litre to this bulk propane price. Rates are determined using a “first in-first out” pricing model. With this Application, the Utility is proposing to increase this increment to \$0.13.

Customers connecting through the subdivisions set out in Appendix A are also responsible for paying a development cost charge (“DCC”), to the extent these customers have not already developed their properties and paid DCCs.

As the Utility described in filings made with the Commission on February 28, 2020 and May 20, 2020, the Utility has not, to date, collected DCCs within its tariff. This is because, at that time, the Resort was collecting DCC largely in furtherance of its own commercial interests. However, to mitigate any concerns that these charges should be collected as a filed rate moving forward, the Utility has added DCC provisions to the tariff being sought with this Application.

The Utility expects to add approximately 1955 service factors (see Schedule E in Appendix B for description of service factors) from the still-undeveloped lots in the subdivisions listed in Appendix A (meaning all lots with the same subdivision will ultimately pay the same level of DCC charges). At the current rate of \$260 per service factor, which the Utility is proposing to retain in this Application, this will recover an estimated \$518,700. Added to the current DCC balance of \$805,000, this is expected to provide sufficient funds to move the gas plant (a project currently estimated to cost approximately \$1.3 million).

The Utility will file an application for a certificate of convenience and necessity (“CPCN”) with the Commission prior to advancing the gas plant move, setting out in more detail the expected costs and benefits of the proposed projects.

Once sufficient funds are collected to move the gas plant, the Utility does not, at this time, anticipate a further need to collect DCCs. As such, the Utility is not currently proposing to collect DCCs from customers beyond those customers that are building within the subdivisions in Appendix A.

Because of a general slump in the property market at the Resort since 2008, it should also be noted that no new development (beyond filling in the subdivisions in Appendix A) is expected at the Resort during the Test Period (see Section II, below).

Should it become apparent that further DCC collection is required in the future, likely because development recovers in a manner not currently expected, the Utility may apply to the Commission to add further developments to Appendix A.

Also with this Application, the Utility is modifying the structure of its terms and conditions of service. By letter dated April 4, 2005, the Commission determined that customers of the Utility are not required to sign a “Propane Supply Agreement”, as had previously been the practice. As the terms and conditions of service are currently contained in this Propane Supply Agreement, the Utility is, with this Application, seeking to incorporate modified provisions from its previously required Propane Supply Agreement into its filed tariff.

## **Organization of Application**

The remainder of this Application is organized as follows.

Section I sets out the relief sought.

Section II sets out the elements of the Utility's revenue requirement for each year of the Test Period, and compares forecast revenues to that revenue requirement.

Appendix A sets out the subdivisions in which, for still-undeveloped lots, the Utility intends to collect DCCs.

Appendix B provides a draft of the tariff terms and conditions, along with the rate schedules, amended to reflect the relief sought in this Application.

### **Section I: Relief Sought**

With this Application, the Utility is seeking to amend its tariff effective June 1, 2021, with the new rates in force for five years; that is, fiscal 2022 to fiscal 2026, inclusive (the "Test Period"). The Utility's fiscal year begins on June 1<sup>st</sup>.

The Utility is seeking the following amendments to its tariff:

1. New terms and conditions imported, with amendments, from the Propane Supply Agreement;
2. Provisions for collecting development cost charges on specified properties, added to the tariff;
3. The minimum charge (currently applicable only in cases where this charge exceeds the level of the consumption charge for that period) changed to a basic charge, applicable each month in addition to the consumption charge;
4. A one-cent per litre increase to the consumption charge, to \$0.13 per litre;
5. All mark-ups over cost in the Special Rate Schedule standardised to 15 per cent; and
6. Various "housekeeping" amendments for clarity and consistency.

### **Section II: Revenue Requirements for the Test Period**

Table 2.1 shows the cost elements that make up the Utility's revenue requirement for each year of the Test Period.

**Table 2.1**

|                                   | Actuals          |                  |                  |                  | Forecast         | Proposed         |                  |                  |                  |                  |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                   | 2017             | 2018             | 2019             | 2020             | 2021             | 2022             | 2023             | 2024             | 2025             | 2026             |
| Tank Vapourizer Usage             | \$16,756         | \$21,866         | \$22,595         | \$19,344         | \$19,731         | \$20,126         | \$20,528         | \$20,939         | \$21,358         | \$21,785         |
| Bad Debts                         | \$5,754          | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Bank Charges                      | \$738            | \$122            | \$127            | \$95             | \$95             | \$97             | \$99             | \$100            | \$102            | \$105            |
| Dues, Subscriptions & Licences    | \$2,904          | \$3,052          | \$3,788          | \$4,499          | \$4,589          | \$4,681          | \$4,774          | \$4,870          | \$4,967          | \$5,067          |
| Entertainment - 50%               | \$146            | \$246            | \$238            | \$48             | \$100            | \$102            | \$104            | \$106            | \$108            | \$110            |
| Fees & Penalties (non-deductible) |                  |                  | (\$3)            | \$0              |                  |                  |                  |                  |                  |                  |
| Freight                           | \$319            | \$204            | \$329            | \$344            | \$3,600          | \$3,672          | \$3,745          | \$3,820          | \$3,897          | \$3,975          |
| Fuel & Lube                       | \$4,346          | \$4,269          | \$3,705          | \$4,565          | \$4,656          | \$4,749          | \$4,844          | \$4,941          | \$5,040          | \$5,140          |
| Housing on Mtn                    | \$7,585          | \$9,682          | \$9,851          | \$9,978          | \$9,978          | \$10,178         | \$10,382         | \$10,589         | \$10,801         | \$11,017         |
| Insurance                         | \$3,927          | \$5,419          | \$6,235          | \$6,282          | \$7,538          | \$8,292          | \$9,121          | \$10,034         | \$11,037         | \$12,141         |
| Legal                             | \$4,544          | \$4,063          | \$4,477          | \$4,180          | \$4,263          | \$4,348          | \$4,435          | \$4,524          | \$4,615          | \$4,707          |
| Management Fees                   | \$18,000         | \$18,000         | \$18,000         | \$18,000         | \$30,000         | \$30,000         | \$30,600         | \$31,212         | \$31,836         | \$32,473         |
| Office Supplies & Stationery      | \$243            | \$195            | \$470            | \$101            | \$103            | \$105            | \$107            | \$109            | \$112            | \$114            |
| Parts & Materials                 | \$343            | \$12,370         | \$1,569          | \$6,461          | \$9,121          | \$9,303          | \$9,490          | \$9,679          | \$9,873          | \$10,070         |
| Passenger Vehicles                | \$883            | \$1,618          | \$3,731          | \$2,706          | \$2,760          | \$14,860         | \$15,157         | \$15,460         | \$15,770         | \$16,085         |
| Postage                           | \$557            | \$529            | \$47             | \$137            | \$140            | \$143            | \$145            | \$148            | \$151            | \$154            |
| Professional/Consulting Fees      | \$400            | \$8,037          | \$6,398          | \$11,810         | \$20,000         | \$11,000         | \$11,220         | \$11,444         | \$11,673         | \$11,907         |
| Property Taxes                    | \$5,309          | \$5,765          | \$5,809          | \$5,703          | \$5,441          | \$5,550          | \$5,661          | \$5,774          | \$5,890          | \$6,007          |
| R & M - Equipment                 | \$8,080          | \$1,474          | \$652            | \$623            | \$12,451         | \$12,700         | \$12,954         | \$13,213         | \$13,477         | \$13,747         |
| R & M - Software                  | \$448            | \$913            | \$1,043          | \$1,132          | \$1,155          | \$1,178          | \$1,201          | \$1,225          | \$1,250          | \$1,275          |
| Snow Removal                      | \$6,392          | \$7,560          | \$4,636          | \$5,572          | \$6,644          | \$6,777          | \$6,912          | \$7,051          | \$7,192          | \$7,336          |
| Telephone                         | \$966            | \$879            | \$372            | \$761            | \$777            | \$792            | \$808            | \$824            | \$841            | \$857            |
| Training & Recruitment            | \$78             | \$304            | \$0              | \$53             | \$54             | \$55             | \$56             | \$57             | \$58             | \$60             |
| Utilities - Electricity           | \$3,020          | \$3,120          | \$3,069          | \$3,120          | \$3,182          | \$3,246          | \$3,311          | \$3,377          | \$3,445          | \$3,514          |
| Amortization                      | \$11,388         | \$11,224         | \$11,298         | \$9,798          | \$9,798          | \$8,740          | \$4,312          | \$0              | \$0              | \$0              |
| Income Taxes - Current Federal    | \$25,269         | \$0              | \$27,285         | \$32,944         | \$10,136         | \$33,702         | \$35,247         | \$36,747         | \$37,067         | \$37,368         |
| Loss Sale of Assets               | \$721            | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Interest Charges                  | \$353            | \$103            | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Wages                             | \$51,617         | \$55,404         | \$73,125         | \$64,975         | \$71,975         | \$73,415         | \$74,883         | \$76,380         | \$77,908         | \$79,466         |
| <b>Revenue Requirement</b>        | <b>\$181,087</b> | <b>\$176,417</b> | <b>\$208,847</b> | <b>\$213,230</b> | <b>\$238,287</b> | <b>\$267,810</b> | <b>\$270,098</b> | <b>\$272,627</b> | <b>\$278,467</b> | <b>\$284,479</b> |

The Utility is proposing inflation factors applied to the expense items as follows:

- For insurance expenses, 10 per cent per year, based on recent premium experience;
- For all other costs, 2 per cent per year, consistent with recent experience and public forecasts.

As noted above, the Utility does not expect material property development at the Resort, beyond modest infill at the subdivisions set out in Appendix A. In addition, some general increase in consumption associated with greater gas use by existing customers is expected. In total, this load growth is expected to average 2 per cent per year.

Based on that load growth expectation, the Utility expects the net income set out in Table 2.2:

**Table 2.2**

|                         | Actual     | Actual     | Actual     | Actual     | Forecast   | PROPOSED   |            |            |            |            |
|-------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                         | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       | 2023       | 2024       | 2025       | 2026       |
| Revenue Requirement     | 181,087    | 176,417    | 208,847    | 213,230    | 238,287    | 267,810    | 270,098    | 272,627    | 278,467    | 284,479    |
| Fixed Charge Revenue    | -          | -          | -          | -          | -          | 65,580     | 66,180     | 66,780     | 67,380     | 67,980     |
| Variable Charge Revenue | 250,715    | 168,543    | 283,012    | 297,658    | 265,693    | 293,349    | 299,216    | 305,201    | 311,305    | 317,531    |
| Total Revenue           | \$ 250,715 | \$ 168,543 | \$ 283,012 | \$ 297,658 | \$ 265,693 | \$ 358,929 | \$ 365,396 | \$ 371,981 | \$ 378,685 | \$ 385,511 |
| Net                     | \$ 69,628  | \$ (7,874) | \$ 74,165  | \$ 84,429  | \$ 27,406  | \$ 91,119  | \$ 95,298  | \$ 99,354  | \$ 100,218 | \$ 101,032 |

The Utility’s rates have not been increased since its inception in the mid-1990s, in part because of an increasing customer base that could be added without major cost to the Utility. Over this time, the Utility has expended considerable effort to increase its operating efficiency and to reduce measurement losses (through improved elevation calibration and reducing metering error, for example).

Nevertheless, over this time, the Utility’s profits have become highly volatile and frequently lower than required, and the Utility has experienced several years of losses.

With this Application, the Utility is seeking to stabilize its return to an amount consistent with the business risk it faces and the level of management effort associated with operating the Utility.

The following sub-sections provide details selected line items from Table 2.1: (a) that have changed appreciably from previous years; or (b) where the Utility believes that further explanation will be of assistance to the Commission.

*Cost of Gas – Vapourizer*

This represents the cost of (unsold) gas lost in the vapourizer. The vapourizer is needed to maintain system operating pressures during times of high demand, when gas in the tanks will not vapourize fast enough to keep pace with consumption.

*Management Salary*

This expense represents a 20 per cent allocation of the salary of the Vice President, Utility Operations, who is responsible for the management of Big White’s three utilities. The allocation represents an estimate of how this employee’s time is spent.

### *Wages – Accounting*

This expense represents a 20 per cent allocation of the salary of Big White’s bookkeeper responsible for utilities. The allocation represents an estimate of how this employee’s time is spent.

### *Wages – Operating*

This expense represents a 20 per cent allocation of one utility operator’s wage, and a 30 per cent allocation of one utility manager’s wage. The allocation represents an estimate of how these employees’ time is spent.

### *Dues, Subscriptions, and Licences*

This expense is for the cost of computer licenses on the billing system, dues paid to the Utilities Commission, and fees paid for Crown leases on easements.

### *Freight*

This expense relates substantially to shipping gas meters to Barchard Engineering Ltd. in Edmonton for required maintenance and re-certification.

### *Fuel and Lube*

This expense relates substantially to the fuel requirements of trucks used by the Utility. It is a 20 per cent allocation of the total fuel and lube costs of the three utility vehicles (see Passenger Vehicles).

### *Housing on Mountain*

During the winter season, the Utility requires full-time coverage from an employee with an approximately five-minute response time. Employees who maintain their regular residence in Kelowna (at least one hour from the mountain) cannot accomplish this. Moreover, the road between Kelowna and Big White is subject to frequent closures from washouts and accidents (the most recent, for example, in June 2020), resulting in long detours of between 2 and 4 hours, depending on circumstances.

At the same time, the Utility cannot practically require its staff to live full time at the mountain, as normal amenities required by a family (schools, groceries, youth sports, etc.) are not available at the Resort, and even basic services are limited in the summer months.

The housing is provided seasonally (during the winter season) to the two employees who share responsibilities for full-time coverage.

The cost of this housing is based on a moderate discount from estimated market values, and is shared among Big White's three utilities, on a ratio of 40 per cent for each of the water and sewage utilities, and 20 per cent for the gas utility.

The total cost of the housing was \$51,792 in 2019, which is equal to \$47,250 for the housing, with the remainder reflecting the employer portion of CPP and EI contributions.

### *Insurance*

Insurance is procured on a Resort-wide basis, and allocated based on two values. Liability insurance is allocated across the Resort based on a ration of earned revenue. Property Insurance is allocated as a percentage of fixed asset values.

### *Legal*

Legal fees are exclusively paid to outside counsel, which has generally been the firm of Pushor Mitchell in Kelowna. Expenses have typically been for matters such as title searches, annual corporate filings, right of way easements, and other routine legal matters.

### *Management Fee*

This charge pertains to allocated overhead, including executive and financial management and costs. In addition, it includes allocated costs for shared office and shop space. It is set as a fixed charge.

### *Parts and Materials*

This expense includes customer meters installed from inventory, replaced meter bases, and general shop stores, including valves, seals, and other parts and supplies.

### *Passenger Vehicles*

The three Big White utilities use a total of three trucks. These are:

- A 2017 GMC, which is leased. The cost of this truck is allocated between the Utility and the Vice President of Utility Operations' personal use. A mileage log is kept, and the Vice President is assessed a taxable benefit on this basis.
- A 2012 Nissan Frontier, which is owned. This truck works only at the resort, and is not employed for any personal use. Its costs are allocated 20 per cent to the Utility, with the remainder allocated between the sewage and water utilities. This allocation is based on an estimate of actual use.

- A 2003 ¾ ton pickup, which is owned. This truck works only at the resort, and is not employed for any personal use. Its costs are allocated 20 per cent to the Utility, with the remainder allocated between the sewage and water utilities. This allocation is based on an estimate of actual use.

The Utility expects to lease a new, light duty truck beginning next year. These costs, again allocated 20 per cent to the Utility with the remaining costs allocated to the sewage and water utilities, are included in Table 2.1.

### *Professional and Consulting*

These costs are for external expertise required by the Utility. The costs fall into two general areas: accounting and specialist consulting.

Accounting costs are paid primarily to the accounting firm BDO Canada LLP, and are related to preparing annual financial statements, the Reserve Trust Fund Report, and tax filings.

Specialist consulting, which accounts for the increase to this line item, pertains primarily to regulatory and financial management support from Keppel Gate Consulting Ltd. Specifically, the costs relate to preparing this Application and to ongoing financial and regulatory support of the Utility in subsequent years through the Test Period.

### *Property Taxes*

This expense relates to property taxes paid on Crown easements and on the Crown land on which the gas plant is located.

### *Repair and Maintenance – Equipment*

This expense relates almost entirely to meter re-certification at Barchard Engineering.

### *Repair and Maintenance – Software*

This expense relates to licenses for Microsoft products, the email system, and the server.

### *Snow Removal*

This expense relates to snow removal from the yard around the gas plant. The Utility is charged for actual hours of snow clearing required, at rates common to all snow-clearing customers at the Resort.

### *Telephone*

This expense relates to management and employee cellular telephones, and telephone equipment required for the plant alarm system.

### *Training*

This expense relates to ensuring that in-house operators meet the current and on-going requirements of Technical Safety BC for minor system repairs, such as meter replacement. These costs also pertain to preparing and updating written operating and maintenance protocols.

### *Amortization*

The Utility's original asset value was approximately \$599k, of which approximately \$330k was funded from contributions in aid of construction. The resultant net asset value is approximately \$269k.

The depreciated value of this net asset value currently stands at \$22,900, against which \$9,800 is amortized each year. As such, the Utility's existing assets will be fully depreciated during the Test Period.

**Appendix A:  
Subdivisions to which Development Cost Charges Apply**

| Name                             | Legal Discription | Address             |
|----------------------------------|-------------------|---------------------|
|                                  |                   | Lot #               |
| <b>BULLET CREEK CABINS</b>       | DL4203            | 200 Moonshine Cres  |
| <b>BULLET CREEK CABINS</b>       | DL4203            | 200 Moonshine Cres  |
| <b>WOODCUTTER CABINS</b>         | DL4229            | 360 Whitehorse Lane |
| <b>WOODCUTTER CABINS</b>         | DL4229            | 360 Whitehorse Lane |
| <b>MAIN VILLAGE</b>              | DL 4109           | Kettle View         |
| <b>MAIN VILLAGE</b>              | DL 4109           | Kettle View         |
| <b>FEATHERTOP ESTATES</b>        | DL4222            | Feathertop Way      |
| <b>FEATHERTOP ESTATES</b>        | DL4222            | Feathertop Way      |
| <b>THE FOREST</b>                | DL 4213           | Forest Lane         |
| <b>THE FOREST</b>                | DL 4213           | Forest Lane         |
| <b>SNOWPINES II</b>              | DL 4213           | Snowpines Way       |
| <b>SNOWPINES II</b>              | DL 4213           | Snowpines Way       |
| <b>SILVER TIP LANDING</b>        | DL 4213           | Snowpines Way       |
| <b>SILVER TIP LANDING</b>        | DL 4213           | Snowpines Way       |
| <b>WHITE FOREST ESTATES</b>      | DL4203            | Raven Ridge Rd      |
| <b>WHITE FOREST ESTATES</b>      | DL4203            | Raven Ridge Rd      |
| <b>WHITE FOREST DEVELOPMENTS</b> | DL4203            | Whitehorse lane     |
| <b>WHITE FOREST DEVELOPMENTS</b> | DL4203            | Whitehorse Lane     |
| <b>GONDOLA WOODS</b>             | DL 4228           | Snowbird Way        |
| <b>GONDOLA WOODS</b>             | DL 4228           | Snowbird Way        |
| <b>MONASHEE RIDGE</b>            | DL 4247           | Snowpines Way       |
| <b>BLACK FOREST DAYLODGE</b>     | DL 4246           | Black Forest way    |

## **Appendix 2: Pro Forma Tariff**

**BIG WHITE GAS UTILITY**

**GAS TARIFF**

Containing  
Terms and Conditions of Service  
and  
Rate Schedules

# TERMS AND CONDITIONS

## 1 INTERPRETATION AND DEFINITIONS

### 1.1 Interpretation

#### 1.1.1 Conflicts

To the extent that these Terms and Conditions conflict with any applicable Rate Schedule, Special Rate Schedule, or DCC Schedule, the terms or conditions provided in such Rate Schedule, Special Rate Schedule, or DCC Schedule shall apply.

#### 1.1.2 Technical Terms

Technical or industry-specific terms, units or measure, or words not otherwise defined in this Gas Tariff shall have the well-known meaning given to those terms in the gas industry.

### 1.2 Definitions

Unless the context otherwise requires, words in this Gas Tariff have the meaning set out below, and alternate forms of the same words have the corresponding meanings.

|                               |  |
|-------------------------------|--|
| Commercial Customer           | A Customer with four or more units connected through a single meter, or premises not intended to be used for overnight accommodation regardless of the number of units connected through a single meter.   |
| Company or BWGU               | Big White Gas Utility Ltd.   |
| Customer                      | Any person whose application for Service has been accepted by BWGU or, in the absence of such an application, the person with possession of the Premises to which Service is provided or the Owner or such other person designated as the Customer pursuant to this Gas Tariff. If a Customer receives Service at more than one Premises, such Customer will be considered a separate Customer for each Premises. BWGU will determine the number of Premises for the purpose of this definition. |
| Customer Premises or Premises | The premises and land at the address or location specified in the application for Service of a Customer, or such other premises and land to which the Customer may move or to which the Company without application supplies Gas.  |
| Disconnection                 | A physical deactivation of a Service connection, including through the removal of metering equipment and or other BWGU equipment used to provide Service, regardless of duration.  |
| Gas or Propane Gas            | Propane vapour delivered to the Customer pursuant to this Gas Tariff.  |

|   |  |
|---|--|
| Gas Tariff  | These Terms and Conditions, the Rate Schedule, and the Special Rate Schedule.  |
| Owner   | The legal or beneficial owner(s) of a building or Premises or an agent or other authorized representative of such owner(s), such as a property manager, strata corporation or developer, as the context requires.  |
| Rate Schedule, Special Rate Schedule, or DCC Schedule | A schedule that sets out rates for Service and other terms and conditions of Service, as filed with the British Columbia Utilities Commission from time to time.   |
| Service   | The provision by BWGU of Gas to a Premises   |
| Residential Customer                                  | A Customer with fewer than four units connected through a single meter where overnight accommodation is anticipated.   |
| Service Agreement                                     | The agreement setting out the rights and responsibilities of BWGU and a Customer for Service, including the application for Service accepted by BWGU (if any), and all applicable provisions of the Terms and Conditions and applicable Rate Schedule(s), Special Rate Schedules, and DCC Schedules. |
| Service Line  | That portion of the pipeline used for the transporting of Gas from the Company's main to the Service Pipe location on the Customer Premises.   |
| Service Pipe  | The portion of the pipe connecting the Service Line to the regulator and meter.  |
| Termination   | Cessation of Service to a Premises under any applicable Rate Schedule or Special Rate Schedule   |

## **2. SERVICE**

### **2.1 Application Where No Service Line Exists**

Applications for Service where no Service Line exists shall be made by completing a Gas Service Application form, or any other form provided by the Company from time to time. The Company may, at its option, accept verbal applications for service.

The Gas Service Application may be found at:

<https://www.bigwhite.com/sites/default/files/inline-files/Gas%20%20Application.pdf>

### **2.2 Application Where Service Line Exists**

Applications for Service where a Service Line exists shall be made by completing a Transfer of Service form, or any other form provided by the Company from time to time. The Company may, at its option, accept verbal applications for service.

The Transfer of Service Form may be found at:

<https://powerforms.docuSign.net/754bef2e-c9ba-44f0-bff2-7228007cff69?env=ca>

### **2.3 Commencement and Term of Service**

Except as otherwise provided in the Service Agreement, a person becomes a Customer and Service commences when:

- (1) BWGU connects or re-connects the Premises to the BWGU system; or
- (2) The person's right to possession of the Premises commences,

whichever is later and regardless of whether such person has completed and signed an application or any contract for Service, and Service will continue until Terminated by BWGU or the Customer.

### **2.3 Refusal to Provide of Service and Termination**

BWGU may, without liability of any kind, refuse to provide Service to any Person and may without notice Terminate Service to any Customer (whether by Disconnection or otherwise) who:

- i. Fails to pay for Service;
- ii. Fails to apply for Service or fails to provide information or identification acceptable to BWGU when applying for Service or at any subsequent time on request by BWGU; or
- iii. Fails to provide access to Premises as required by these Terms and Conditions.

### **2.4 Easements and Rights-of-Way**

If the Customer is not the owner of the premises or intervening property between the Premises and the Company's mains or Service Lines, the Customer shall obtain for the Company from the proper owner the necessary consent or easement in writing for the installation and maintenance in the said premises, and in or about such intervening property, of all necessary facilities for supplying Gas. The Company reserves the right of rights-of-way acquisition if it determines that this is desirable.

### **2.5 Assignment**

A Customer may not assign a Service Agreement to another person.

## **2.6 Use of Gas**

The Customer shall not use or permit the use of the Gas supplied to any Premises other than the Premises covered by the relevant Service Agreement.

## **2.7 Termination of Service by Customer**

Except as otherwise provided in the Service Agreement, a Customer may Terminate Service by giving to BWGU at least 30 days' notice. The Customer continues to be subject to all applicable terms and conditions of the Service Agreement, including the obligation to pay for all Gas provided to the Premises and all damage to and loss of metering equipment or other apparatus of BWGU until the Termination date specified in the notice or 30 days after BWGU receives such notice, whichever is later.

## **2.8 No Release of Customer Obligations**

No Termination of Service will release a Customer from any previously existing obligations to BWGU under a Service Agreement or any other agreement with BWGU.

## **2.9 Responsibility for Unpaid Balances**

If a new Customer makes an application for Service at Premises that have an unpaid balance owing to the Company from a previous Customer, the new Customer assumes this previous balance as part of its Service Agreement, at which time the previous Customer is relieved of its obligations to the Company.

## **3. MEASUREMENTS, BILLING, AND PAYMENT**

### **3.1 Meters**

The Company shall install on the Premises at the point to be selected by the Company, such meter(s) and regulator(s) as the Company deems necessary, which shall be and remain the property of the Company, and the Customer shall be required to pay for such meter(s) and regulator(s) in accordance with the charges set down in the Special Rate Schedule.

### **3.1 Testing Meters**

In the event that the Customer applies under the *Gas Inspection Act* for the testing of a meter, and by such testing it is found that the meter is recording within an allowable error of 2 per cent, the Customer shall forthwith reimburse the Company the amount specified in the Special Rate Schedule for removal and replacement of the meter for the purposes of making the test. If by testing the meter, error is found to be in excess of the allowable 2 per cent, the cost of replacing the meter will be borne by the Company.

### **3.2 Meter Reading**

Meters will be read monthly, bi-monthly, or as the Company may otherwise elect. The Company may at its option require the Customer to read its own meter and report such reading in the manner specified by the Company. If the Customer upon request by the Company fails to read the meter and report such reading, the Company shall read the meter and charge the Consumer the special meter reading charge specified in the Special Rates Schedule.

### **3.3 Estimated Readings**

The Company shall have the right, in the event of inability for any cause to read meters, to estimate the consumption and to render bills based upon such estimated consumption.

### **3.4 Billing**

Bills will be rendered monthly or every second month at the option of the Company and the Consumer shall pay rendered accounts within twenty-one (21) days from the date of mailing of bills by the Company. The Company will charge a fee as specified in the Special Rates Schedule on all accounts remaining unpaid. The Company's records of the date of mailing or delivery of bills shall be presumptive evidence of the date of rendering.

### **3.5 Guarantee Deposit**

Applicants for the supply of Gas may, at the option of the Company, be requested to provide a guarantee of payment in the form of a cash deposit. The amount of such deposit shall not exceed the total of the estimated billings to the Customer for the three-month period of maximum consumption, or 25 per cent of the estimated annual consumption, for new customers. This deposit is security against any outstanding indebtedness of the Customer, and may, at the Company's discretion, be held by the Company until the Customer's Service is terminated. The Company may at any time in its discretion apply such deposit or any part thereof against the outstanding indebtedness of the Customer and any amount so applied shall forthwith be paid to the Company by the Customer to replenish such deposit. The amount of such deposit is not transferable or assignable.

In the event of Service Termination, such deposit plus accrued interest, determined as provided below, will be refunded to the Customer after the Company has deducted any outstanding indebtedness then owing by the Customer.

The Company shall pay interest on guarantee deposits at a rate equivalent to the current savings account interest rate employed by the Company's principal bank in the Company's service area as at the date of payment to the Customer. Such interest shall be credited annually to the Customer's billing account in the month of January.

The deposit shall cease to draw interest on either of the date it is returned, or on the date notice is sent to the Customer's last known address that the deposit is no longer required, or on the date when service is terminated.

### **3.6 Bank Charges**

If a payment received from the Customer for the payment for a Service or other billing is returned by the financial institution for reason of insufficient funds or reasons other than clerical error, the Customer will be charged the fee specified in the Special Rate Schedule in addition to any bank charge arising from the return.

### **3.7 Taxes**

The Customer agrees to pay any Goods and Services Tax, Social Services Tax, Sales Tax, or any other tax that the Company may be lawfully required to collect from the Customer.

## **4. SERVICE CONNECTION AND CHARGES**

### **4.1 Authority for Work**

No changes, extensions, replacements, repairs, connections to, or disconnections from, the Company's system shall be made except by the Company's authorized employees, contractors, or by other persons authorized in writing by the Company.

### **4.2 Installation Policy**

Where the Company's gas main is adjacent to the Premises, the Company will install the Service Line and Service Pipe from the main to the meter location on the Premises and the Customer will be required to pay connection charges for that portion of the Service Line and Service Pipe between the property line and the meter location in accordance with the Special Rate Schedule. The Service Line and Service Pipe shall follow the route and reach the Premises at a point of entry that is the most suitable to the Company.

### **4.3 Right of Refusal to Install**

The Company reserves the right not to install a Service Line and Service Pipe, if, in the Company's opinion, the projected load is not of an economic nature, and neither acceptance of an application form nor any cash deposit from the Customer shall be construed as a commitment by the Company to install a Service Line and Service Pipe or to provide Service.

#### **4.4 Location of Service and Meter**

The Company reserves the right to designate the location of the Service Line, Service Pipe, meters, and regulators, and to determine the amount of space that must be left unobstructed for the installation, and the Customer shall provide such location.

#### **4.5 Additional Charges**

Where the Customer requests the Service Line and Service Pipe to enter its Premises at a point or follow a route different from those routes chosen by the Company, the Company may charge the Customer for all extra costs incurred in installing the Service Line and Service Pipe in accordance with the Consumer's request.

#### **4.6 Additional Service Connections**

The Company may in its discretion charge the Customer the cost of installing additional service connections should more than one be requested at the same Premises.

#### **4.7 Meters Installed Within Premises**

If the meter is to be installed inside the Premises, it will be installed as close as possible to the point where the Service Line enters the Premises. Where, in the opinion of the Company, it is impractical or undesirable to install the meter at the closest point to the Service Line entrance, the Customer will be charged the costs of installing all pipe within the Premises in excess of the minimum required to install the meter at the closest point to the Service Line entrance. All pipe between the main and the meter remains the property of the Company.

#### **4.8 Access to Premises**

The Customer grants the Company full power, right, and liberty to enter the Premises whether or not the occupant is in the Premises, to break the surface and make necessary excavations for the purpose of locating, installing, repairing, replacing, maintaining, and inspecting all facilities on the Premises. The Company shall do as little damage and cause as little inconvenience as reasonably possible in doing such work.

#### **4.9 Commencement of Use of Gas**

The Customer agrees to commence using Gas on the Premises within three (3) months of the date of installation of the facilities, or failing to so commence using Gas, to pay the Company's Basic Charge as specified in the Rate Schedule until such times as Gas is used on the Premises.

## **5. BACK-BILLING**

### **5.1 Definition**

"Back-Billing" means the re-billing by the Company for services rendered to the Customer because the original billings are discovered to be either too high ("Over-Billed") or too low ("Under-Billed"). Either the Customer or the Company may make the discovery. The cause of the billing error may include any of the following non-exhaustive reasons or combination thereof:

- i. Stopped meter;
- ii. Metering equipment failure;
- iii. Missing meter now found;
- iv. Switched meters;
- v. Double metering;
- vi. Incorrect meter connections;
- vii. Incorrect use of any prescribed apparatus respecting the registration of a meter;
- viii. Incorrect meter multiplier;
- ix. The application of an incorrect rate;
- x. Incorrect reading of meters or date processing; and
- xi. Tampering, fraud, theft, or any other criminal act.

### **5.2 Basis and Estimates**

Where metering or billing errors occur, the Back-Billing will be based upon the records of the Company for the Customer or the Customer's own records to the extent they are available and accurate or, if not available, reasonable and fair estimates may be made by the Company.

### **5.3 Tampering**

If there are reasonable grounds to believe that the Customer has tampered with or otherwise used the Company's service in an unauthorized way, or evidence of fraud, theft, or other criminal act exists, then the extent of Back-Billing will be for the duration of the unauthorized use, subject to the applicable limitation period provided by law, and the provisions of items 5.6, 5.7, 5.8 and 5.9, below, do not apply.

### **5.4 Corrections and Notification**

In every case of Under-Billing or Over-Billing, the cause of the error will be remedied without delay, and the Customer will be promptly notified of the error and of the effect upon the Customer's ongoing bill.

## **5.5 Refund of Over-Billing**

In every case of Over-Billing, the Company will refund to the Customer all money incorrectly collected for the duration of the error, subject to the applicable limitation period provided by law. Simple interest, computed at the short-term bank loan rate applicable to the Company on a monthly basis, will be paid to the Customer.

## **5.6 Collection of Under-Billing**

Subject to item 5.3, in every case of Under-Billing, the Company will Back-Bill the Customer for the shorter of:

- i. The duration of the error; or
- ii. One year.

## **5.7 Terms for Collection of Under-Billing**

Subject to item 5.3, in all instances of Under-Billing, the Company will offer the Customer reasonable terms of repayment. If requested by the Customer, the repayment term will be equivalent in length to the Back-Billing period. The repayment will be interest free and in equal installments corresponding to the normal billing cycle. However, delinquency in payment of such installments will be subject to the usual late payment charges.

## **5.8 Disputes**

Subject to item 5.3, if a Customer disputes a portion of a Back-Billing due to Under-Billing based upon either consumption, demand, or duration of the error, the Company will not threaten or cause the discontinuance of service for the Consumer's failure to pay that portion of the back-billing unless there are no reasonable grounds for the Customer to dispute that portion of the back-billing. The Customer shall pay the undisputed portion of the bill and the Company may threaten or cause the discontinuance of service if such undisputed portion of the bill is not paid.

## **5.9 Change of Occupancy**

Subject to item 5.3, in all instances of Back-Billing where changes of occupancy have occurred, the Company will make a reasonable attempt to locate the former Customer. If, after a period of one year, such Customer cannot be located, the Over-Billing or Under-Billing applicable to them will be cancelled.

## **6. EQUIPMENT**

### **6.1 Ownership of Equipment**

The title to all Service Pipes, Service Lines, meters, regulators, attachments, and equipment placed on the Customer's Premises shall remain with the Company, with right of removal, and no charge shall be made by the Customer for use of its Premises occupied thereby. This paragraph shall not apply to appliances or goods sold directly to the Customer by the Company.

### **6.2 Protection of Meters and Regulators**

The Company shall maintain meters and regulators, provided that the Customer shall protect the same and shall be liable for all damage thereto except damage caused by the negligence of the Company and by ordinary wear and tear.

### **6.3 Maintenance and Service Line and Service Pipe**

Maintenance of the Service Line and Service Pipe shall be the responsibility of the Company, provided that the Customer shall protect the same and shall be liable for all damage thereto except damage caused by the negligence of the Company and by ordinary wear and tear. The Customer must advise the Company in advance of any excavation work to be conducted on the Premises and shall immediately advise of any damage occurring to the Service Line or Service Pipe. The Customer must advise the Company immediately of any damage to the Service Line or Service Pipe.

### **6.4 Moving Meters**

The Company may charge the Customer the amount specified in the Special Rate Schedule for moving a meter from one location to another within the Premises in the event such moves are made at the request of the Consumer.

### **6.5 Access to Premises**

The Company shall have free access at all reasonable times to the Premises whether or not the Owner or occupant is in the Premises, for the purpose of reading meters, turning gas on or off, stopping leaks, examining pipes, connections and fittings, and the use made of Gas by the Customer, and to test, repair, or remove said meter or regulators. Such right of access shall include excavation and backfill for repair or replacement of pipe. In situations of perceived emergency, the Company may use reasonable force in securing access to its equipment for inspection, disconnection and repair.

### **6.6 Termination of Service**

In the event the supply of Gas is cut off for any reason whatsoever, the Company shall not be obligated to remove the Service Line or Service Pipe installed in the Customer's

property. Upon Termination of Service to the Customer, the Company shall effectively seal the Service Pipe.

## **7. DISCONTINUANCE OF SERVICE**

### **7.1 Reasons for Discontinuance**

The Company reserves the right to discontinue the supply of gas and/or to remove its property from the Consumer's Premises at any time provided proper notice has been provided to the Customer. Without limiting the generality of the foregoing, the Company reserves the right to discontinue the supply of Gas for any of the following reasons:

- i. Due to failure, temporary or permanent, of the availability of gas;
- ii. For necessary repairs on any point on its system;
- iii. For non-payment of any indebtedness when due;
- iv. For failure of the Customer to pay any guarantee deposit or increase thereof forthwith on demand;
- v. Assignment in bankruptcy or insolvency of the Customer;
- vi. The use by the Customer of defective pipe, appliances or gas fittings, or the demand by the Customer for the supplying of Gas in such manner as may be in the Company's opinion likely to lead to a dangerous situation;
- vii. Use by the Customer of Gas contrary to these Terms and Conditions;
- viii. Misrepresentation by the Customer in relation to the use of Gas or the amount consumed;
- ix. Moving of the Customer from the Premises;
- x. Inability of the Company to gain admittance to the Premises to read the meter for a period of six (6) consecutive months;
- xi. Termination in any manner;
- xii. Discontinuance of the use of Gas on the Premises;
- xiii. Failure to make proper application for gas service; or
- xiv. In event of fire, flood, explosion or other emergency in order to safeguard persons or property against the possibility of injury or damage.

### **7.2 Reconnect Fees**

On each occasion when Service is Terminated at the Customer's request, or as a result of the failure of the Customer to comply with these Terms and Conditions, and Service is subsequently provided to the Customer at the same Premises, the reconnection fee specified in the Special Rate Schedule will be charged. In the event that the meter and regulator are removed and replaced on the same Premises within one (1) year of removal, the Company will charge a fee for resetting the meter and regulator as specified in the Special Rate Schedule. Until such charges together with any other indebtedness by the Customer to the Company are paid, the Company may, at its discretion, refuse to provide Service.

## **8. OTHER CHARGES OR PAYMENTS**

### **8.1 Services Provided at No Charge**

The Company shall provide the following services at no additional cost to the Customer:

- i. Locate mains or Service Lines to prevent damage to underground facilities;
- ii. Respond to gas odour, leak, fume, and no-heat calls, provided the Customer has made repairs or performed any maintenance which the Company advised was required during a previous response or inspection;
- iii. Any service that, in the Company's opinion, is required to ensure public and Company safety and the maintenance of Company equipment, but not including any parts or labour used to repair Customer's equipment.

## **9. RESPONSIBILITIES OF CUSTOMERS AND THE COMPANY**

### **9.1 Transfer of Risks, Title, and Possession**

The Company shall be deemed to own and control all Gas to be delivered to the Customer and shall have the risk thereof until it shall have been delivered to the Customer at the property line of the Premises, after which the Customer shall be deemed to own and be in control and possession of the Gas and have the risk with respect to the utilization or presence of the Gas.

### **9.2 Force Majeure**

Notwithstanding any other term or condition contained herein, neither the Customer nor the Company shall be liable to the other for failure to carry out its obligations hereunder when such failure is caused by force majeure as hereinafter defined.

The term "force majeure" means civil disturbances, industrial disturbances (including strikes and lockouts), arrests and restraints of rulers or people, interruptions by government or court orders, present or future valid orders of any regulatory body having proper jurisdiction, acts of the public enemy, wars, riots, blockades, insurrections, failure or inability to secure materials, permits or labours by reason of priority regulations or orders of government, serious epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, explosions, breakage or accident to machinery or lines of pipes or pipelines, temporary failure of gas supply, an act or omission (including failure to deliver gas) of a supplier of gas to the Company, or any other causes or circumstances to the extent that such cause or circumstance was beyond the control of and occurred without negligence on the part of the party prevented from carrying out its obligations by the act of force majeure.

Any causes or contingencies which entitle a party to claim force majeure shall not relieve it from liability in the event of its concurring negligence, or in the event of its failure to use due diligence to remedy the situation or remove the cause in an adequate manner and

with all reasonable dispatch, nor shall such causes and contingencies affecting the performances of the obligations hereunder relieve either party from the obligations to make payments of amounts then due or thereafter accruing due hereunder. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party affected.

### **9.3 Waste of Gas**

The Customer shall use due care to prevent any waste of Gas and will immediately notify the Company in case of failure or deficiency of supply or leakage of Gas.

## **10. DEVELOPMENT COST CHARGES**

### **10.1 Payment of Development Cost Charges**

Development Cost Charges (DCCs) owing are payable to BWGU prior to the commencement of Service.

### **10.2 Payment Based on Service Factors**

Development Cost Charges payable by the Customer are based on the number of Service Factors on the Premises, calculated pursuant to the DCC Schedule.

## **11. INDEMNITY**

- i. The Customer releases and absolves the Company from any and all liability for damage caused to the Customer or its Premises as a result of any disconnection and/or Termination of Gas delivery pursuant to these Terms and Conditions and does further indemnify and save harmless the Company against any and all claims for any damage whatsoever caused to third parties or the property of third parties by the Company which result from such disconnection and/or Termination of Gas delivery, irrespective of whether such damage is caused by the Customer, its employees, designated dealers, or agents. Without limiting the generality of the foregoing, the Customer agrees that such release, absolution, and indemnity shall include damage caused by failure or inability of any domestic or commercial appliances, heating system, or equipment to function as the result of such disconnection and/or Termination.
- ii. The Consumer acknowledges that there are hazards associated with the storage and use of propane gas, and the presence and/or use of the propane gas delivery equipment, that it understands such hazards, and that it is the responsibility of the Customer to warn and protect its employees and its clients who may be exposed to such hazards. The Customer assumes all risks and liability for loss, damage, or injury to persons or its Premises or others, arising out of the delivery, presence or use of the Gas, or the presence or use of the equipment used to deliver the Gas to the Customer provided that the Company shall be responsible for loss, damage or

injury arising out of negligent acts or omissions of the Company or its employees or servants.

## RATE SCHEDULE

|                           |   |
|---------------------------|---|
| <b>Availability</b>       | For Commercial and Residential Customers  |
| <b>Applicable</b>         | In the Big White Ski Resort Area  |
| <b>Consumption Charge</b> | Rate per litre of metered consumption, set on a monthly basis by adding \$0.13 to the bulk market price per litre, inclusive of all delivery charges, service charges, taxes, and any other charges or premiums, charged to the Company by Superior Propane Inc., determined on a first-in-first-out basis. |
| <b>Conversion</b>         | 1.0 gigajoule is equal to 39.1 litres of Gas.   |
| <b>Basic Charge</b>       | Rate per month, regardless of billed consumption. See Special Rate Schedule   |

## SPECIAL RATE SCHEDULE

|  |  |   |
|--|--|---|
| <b>Special Charges</b>                     | Cost plus 15 per cent                        | Work not otherwise contemplated under this Special Rate Schedule and performed on behalf of the Customer or in connection with the supply of Gas Services to the Customer's Premises. |
| <b>Meters and Regulators</b>               | Cost plus 15 per cent                        | Meters and regulators sold to Customers at the time of new connections.   |
| <b>Meter Testing</b>                       | Cost plus 15 per cent                        | Removal or any meter for the purposes of testing pursuant to the <i>Gas Inspection Act</i> , where that meter is found to be within allowable error of 2 per cent.                    |
| <b>Meter Reading</b>                       | \$25.00                                      | Special meter reading charge.   |
| <b>Late Payment Fee</b>                    | 24 per cent per annum (2 per cent per month) | Charged on overdue accounts.  |
| <b>Installation Policy</b>                 | Cost plus 15 per cent                        | Connection charge for that portion of the Service Line between the property line and the meter setting.   |
| <b>Basic Charge (per month)</b>            | Commercial: \$45.00<br>Residential: \$10.00  | See Rate Schedule.  |
| <b>Moving Meters</b>                       | Cost plus 15 per cent                        | Charge for moving meter at request of Customer.   |
| <b>Reconnect Fee A</b>                     | \$300.00                                     | Basic reconnection charge, where meter has been locked-off.   |
| <b>Reconnect Fee B</b>                     | Cost plus 15 per cent                        | Charge for resetting meter and regulator, where regulator and meter have been removed.  |
| <b>Bank Charges for Insufficient Funds</b> | \$50.00 plus bank charges                    | Charge for any payments returned or not completed for insufficient funds.   |

## DCC SCHEDULE

Applicable to Customers connecting is Subdivisions listed in Appendix A.

The number of Service Factors will be the greater of:

- (a) The Total Discharge Weight divided by six (6), rounded to the nearest whole number. The total number of each type of fixture installed will be multiplied by the Discharge Weight assigned to that type of fixture in the table below. The sum of these individual results will be the Total Discharge Weight;
- (b) User Service Factors, where each room capable of accommodating two (2) people overnight (including dens, studies, living rooms, lofts, etc. which could accommodate a sofa-bed or similar) will equal one (1) service factor; and
- (c) Total square footage, where the total square footage divided by 800, rounded to the nearest whole number.

Discharge Weights:

|  |      |
|--|------|
| Bath Tub (hot/cold)                                  | 3.0  |
| Shower Stall   | 2.0  |
| Showers (group) per head                             | 3.0  |
| Drinking Fountain                                    | 0.5  |
| Dishwasher – domestic                                | 2.0  |
| Dishwasher – commercial                              | 25.0 |
| Kitchen Sink – domestic                              | 2.0  |
| Kitchen Sink – domestic with waste grinder           | 3.0  |
| Kitchen Sink – commercial                            | 25.0 |
| Lavatory (hot/cold)                                  | 2.0  |
| Sink   | 3.0  |
| Urinal – pedestal, siphon jet, blowout (flush valve) | 8.0  |
| Urinal – stall or wall type                          | 4.0  |
| Water Closet – tank operated                         | 4.0  |
| Water Closet – flush valve operated                  | 8.0  |
| Clothes Washer -- domestic                           | 2.0  |
| Clothes Washer -- commercial                         | 10.0 |

The DCC amount payable is the number of Service Factors times \$260.00, plus GST.