



APPROVED APPLICATION FOR GAS RATE CHANGES – Sun Peaks Utilities has received approval for our application to the British Columbia Utilities Commission (BCUC) for a gas rate change. The net effect of the rate application is a reduction of the Gas Commodity Charge of \$3.805 from \$23.405 to \$19.600 per gigajoule (reduction of 16.3%).

This reduction is a combination of a Gas Commodity Charge cost decrease of \$5.00 per gigajoule effective June 1, 2012, and a Gas Commodity Charge - Storage cost increase of \$1.195 per gigajoule which has also been approved and becomes effective June 1, 2012.

As stated in the May newsletter, the revenues generated from the Gas Commodity Charge - Storage component have not been sufficient to cover the operating costs of our propane storage facility. Accordingly, to bring this account into balance by September 1, 2013, the Utility applied for and received the Storage cost increase.



The following are examples of the impact of the Gas Commodity Charge rate changes now approved.

Customer Type	Annual Propane in Gigajoules (Gj) used	Current Commodity – Gas Rate per Gj	June 1, 2012 Commodity – Gas Rate per Gj	Current Commodity – Storage Rate per Gj	June 1, 2012 Commodity – Storage Rate per Gj	% Decrease in Overall Annual Gas Costs (% includes Basic & Delivery Charges)
Residential/Condo	18	\$21.250	\$16.250	\$2.155	\$3.350	-10.1%
Single Family Home	85	\$21.250	\$16.250	\$2.155	\$3.350	-13.5%
Small Commercial	354	\$21.250	\$16.250	\$2.155	\$3.350	-14.3%
Commercial	4,260	\$21.250	\$16.250	\$2.155	\$3.350	-14.4%
Large Commercial	10,000	\$21.250	\$16.250	\$2.155	\$3.350	-14.5%

A copy of the full application to the BCUC and their decision is posted on the Utility's website at www.sunpeaksutilities.com under Gas Tariff & Rates. Unless the cost of propane changes significantly, we anticipate being able to hold this propane rate structure until prices are reviewed in the Fall of 2012. We'll keep you posted on this with updates in our newsletters.

UPDATE ON OPTIONS TO BRING NATURAL GAS TO SUN PEAKS.

Over the last 10 years, SPUCL has looked at options to replace the Propane Storage Facility at Sun Peaks with a Natural Gas Pipeline.

In 2005, SPUCL commissioned FortisBC (formerly Terasen) to complete a detailed study on the possible routes and costs. At that time, the pipeline could not be justified based on the estimated construction costs and price differential between propane and natural gas.



Utility Newsletter

June 2012 – Page 2



Update on options to bring Natural Gas to Sun Peaks continued:

SPUCL has continued to review available options for a pipeline on a regular basis. In our review this year, we found that changes in FortisBC infrastructure make a shorter route possible, and the costs to build a pipeline to Sun Peaks would be much lower than previously estimated. We have been working with the Municipality & FortisBC to update the business case, and we now have enough information to provide to the community for further discussion and direction. We invite you to visit a:

Utility Information Booth

(prior to Tourism Sun Peaks' AGM)

Between 9:00 am and 10 am, Saturday, June 23, 2012

Delta Sun Peaks, Sun Peaks, BC

If you can't make this meeting, Sun Peaks Utilities will be posting feedback, questions and answers, and new information as it becomes available on the Utilities' website. The website will have an On-line Survey to ensure every interested owner/resident is part of the process and can easily provide input and comments. Another public meeting regarding the project is tentatively scheduled for September 29, 2012 as we expect to have further information available on the financial impacts by that time.



Annual Propane Plant Emergency Response Drill – DELAYED TO AUGUST, 2012

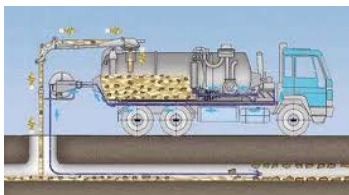
The originally announced exercise to be held on *Tuesday, June 19, has now been delayed until late August, 2012.* At that time, FortisBC will be conducting an emergency training exercise in coordination with Sun Peaks Utilities, Sun Peaks Mountain Resort Municipality, Sun Peaks Fire and Rescue, RCMP, and Gibson's Trucking.

- The exercise will involve a simulated emergency and no significant interruptions to residents and the public are expected.
- This exercise is important to test emergency response procedures in the event they are required to protect public safety.



For more information about this exercise, call us at the Utilities office at 250-578-5490 (press 1) or email at info@sunpeaksutilities.com.

HYDRANT FLUSHING – The Utility will start flushing hydrants and performing valve maintenance as of June 1, 2012. Please slow down when you see Utility Crews working on the side of the Road. For more information on the impact of hydrant flushing, please visit the Utility's website.



SEWER FLUSHING – Our contractor, Ray Smith Services, will be in the resort starting June 25, 2012 to ensure our sewer mains continue to flow. They will be flushing and camering specific sections of the resort.

Should you have any questions on these or any other utility matters, please contact us at the Utilities office at 250-578-5490 and press 1 or via email us at info@sunpeaksutilities.com. In the event of an after hour utility emergency, dial 250-319-0629 for the Utilities' on-call staff. **If the matter is urgent, dial 9-1-1.**