

November 16, 2010



Erika Hamilton
Commission Secretary
British Columbia Utilities Commission
Box 250, 6th Floor, 900 Howe Street
Vancouver, BC
V6Z 2N3

Via Mail & E-mail commission.secretary@bcuc.com

Dear Ms. Hamilton,

**Re: Sun Peaks Utilities Co., Ltd.'s ("SPUCL") Propane Commodity Rate Change
Effective December 1, 2010 & Response to BCUC Order E-30-10**

Over the past few years, the world continues to see increasing energy costs. These increases are such that SPUCL now must apply to the Commission to raise the Gas Commodity Charge charged to its customers effective December 1, 2010.

SPUCL's last change in the Gas Commodity Charge rate took effect July 1, 2009. Since that time, market prices for wholesale propane gas continued to fluctuate.

It is expected that the wholesale propane market will continue to see fluctuating prices due in part due to economic and supply issues. It is SPUCL's understanding that geopolitical events, possible supply disruptions, low inventories, limited storage capacity, currency rate fluctuations, world economic conditions and market speculators will continue to force changes in oil prices. It is these factors that are keeping market energy prices volatile. This is reflected both in spot pricing and in longer term futures prices.

In past years, and to partially protect our customers from fluctuating prices, SPUCL has locked in up to 50% of its winter supply. However, this summer both the costs and the premium for obtaining this pre-purchased fuel were significant. The Utility purchased 250,000 liters in June 2010 at a cost of \$0.3110 per liter (\$0.820 per liter over spot market prices at the time). Based on the commonly held belief that fuel prices will continue to climb higher over the primary heating season, the Utility purchased an additional 750,000 liters of fuel in October 2010 at a cost of \$0.3310 per liter (\$0.0310 per liter over spot market prices at the time).

The two pre-purchases make our blended fixed price \$0.3260 per litre for the 2010/2011 peak winter heating season. Further propane cost projections are set out in the attachments. Unless the price drops substantially, the Utility has no more plans to pre-purchase fuel.

Gas Cost Recovery Account (GCRA) – In SPUCL's last Gas Commodity Charge application, the Commission agreed to allowed SPUCL to keep the GCRA's component at \$0.00 per Gigajoule (Gj) creating a GCRA account balance of \$56,505 as of April 30, 2010 (which reflects the estimated value of the inventory in the storage tanks).

The average delivered price SPUCL paid from May 1, 2010 to September 30, 2010 was \$0.32893 per litre, thus increasing the GCRA to \$125,649 as the end of September, 2010. The projected GCRA balance of \$112,426 at April 30, 2011 does not include \$86,133 which is the approximate value of propane on hand when the tanks are half full.

../BCUC Nov 2010 Commodity Rate App L1

Sun Peaks Utilities Co., Ltd.

1280 Alpine Road, Sun Peaks, British Columbia, V0E 5N0
Tel: 250-578-5490 Fax: 250-578-5516

www.sunpeaksutilities.com – e-mail: utilities@sunpeaksresort.com



SPUCL Rate Setting Policy

The Utility has at the request of its customers, maintained a policy of providing the lowest possible utility rates to residents during the early development of the Resort. However, to the extent that an increase in prices is needed, SPUCL believes its customers favour minimizing any increase in rates and maintaining stable rates over time.

Proposed Gas Commodity Charge – Propane Change – In recognition of the current tough economic times generally experienced by both businesses and residential customers of the Utility and the anticipated continued financial recovery expected over the next two years, the Utility is proposing to let the GCRA absorb some of the expected increase in fuel commodity costs.

SPUCL is now proposing to increase its Gas Commodity Charge – Propane from \$13.5810 per GJ to \$14.5100 per GJ. We are communicating with our Customers that this increase may be temporary and that should gas prices not drop in the spring as they have historically, a further application to increase the Commodity Charge may be required.

The effect of the foregoing proposed price adjustments would result in an annual burner tip increase of about 3.1 % to 4.5% for the average residential user, for condominium and single family homes respectively. Large commercial users would see an increase of about 4.9 %. While SPUCL has tried to keep gas prices as low as possible, customers do have the choice of an alternative fuel by using electricity.

BCUC Order E-30-10 Gas Price Risk Mitigation Plan

SPUCL has been successful over past years in being able to provide some protection for its customers from the continuing cycle of rising energy prices by purchasing fuel during the spring and summer months.

However, this past Summer and Fall saw commodity prices increase and the premium for pre-buying fuel became significant. Thus, the Utility did not fully implement the normal Risk Mitigation Plan of pre-purchasing 50% of normal winter fuel demand.

During early Summer and late Fall, the Utility did commit to the pre-purchase of 1,000,000 liters or approximately 37% of its estimated winter needs, at an average price of \$0.3260 per litre (before transportation costs). This represents an increase of \$0.0657 per litre over last winter's locked in price of \$0.2603 per litre.

Sun Peaks Utilities Current Application

Accordingly, Sun Peaks Utilities requests BCUC approval to:

1. Effective December 1, 2010, increase the Commodity Charge for propane from \$15.7360 per GJ to \$16.6650 per GJ for Residential, Small Commercial and Large Commercial customers.



Sun Peaks Utilities continues to undertake a communication program in Sun Peaks to inform all customers of pending price changes, by including a notice of this application in the November 2010 newsletter. Formal notices will also be included in the December 2010 and January 2010 newsletters.

Should you have any questions on this application or any other gas utility matter, please contact the undersigned at 250-578-5490 or via e-mail at utilities@sunpeaksresort.com.

Sincerely,
Sun Peaks Utilities Co., Ltd.

A handwritten signature in black ink, appearing to read "P.A. Miller", enclosed within a faint, light-colored oval border.

P.A. (Pat) Miller
Manager, Utility Services

Attachments:

1. Sun Peaks Utilities – Revised Page 7 of Tariff
2. Customer Utility Notice – November 2010
3. Sun Peaks Utilities Customer Information, Usage and Financial Projections (see attached index)

**Sun Peaks Utilities Co., Ltd. - Gas Tariff
General Terms and Conditions – Page 7 11th Revision**

Table of Charges - Gas Service will be provided in accordance with the following Rate Groups. The Rate Groups are available in all territory served by SPUCL, provided adequate capacity exists in SPUCL's system.

Applicability by Rate Group

Rate Group 1: Residential Service - This Rate Group is applicable to Gas supplied at one Premises for use in approved appliances for all residential applications in single-family residences, separately metered single-family townhouses, rowhouses and apartments and single metered property with four or less dwelling units.

Rate Group 2: Small Commercial Service - This Rate Group is applicable to Gas supplied at one Premises for Customers with a normalised annual consumption of less than 2,000 gigajoules of Gas, for use in approved appliances in municipal, commercial, institutional, small industrial operations or a single metered property with five or more dwelling units.

Rate Group 3: Large Commercial Service - This Rate Group is applicable to Gas supplied at one Premises for Customers with a normalised annual consumption of greater than 2,000 gigajoules of Gas, for use in approved appliances in municipal, commercial, institutional small industrial operations and single metered property with five or more dwelling units.

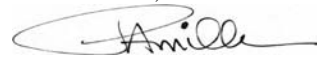
Rates for Gas Service		Rate Group 1 Residential	Rate Group 2 Small Commercial	Rate Group 3 Large Commercial
1	Basic Charge per Month	\$18.00	\$30.00	\$120.00
2	Delivery Charge per gigajoule of Gas delivered	\$2.2375	\$2.2375	\$2.7375
3	Gas Commodity Charge - Propane per gigajoule of Gas delivered	\$14.5100	\$14.5100	\$14.5100
4	Gas Commodity Charge - Storage per gigajoule of Gas delivered	\$2.1550	\$2.1550	\$2.1550
5	Gas Commodity Charge - Terasen Energy Services per gigajoule of Gas delivered	\$0.0000	\$0.0000	\$0.0000
6	Gas Commodity Charge - GCRA per gigajoule of Gas delivered	\$0.0000	\$0.0000	\$0.0000
7	Total Gas Commodity Charge - per gigajoule of Gas delivered (addition of items 3 to 6)	\$16.6650	\$16.6650	\$16.6650

Note: Minimum Charge per Month - The minimum charge per Month will be the Basic Charge listed above.

Issued: November 16, 2010

Accepted for filing:

By:



Pat A. Miller
Manager, Utility Services
SUN PEAKS UTILITIES CO., LTD.

By: _____

Commission Secretary
BRITISH COLUMBIA UTILITIES COMMISSION

Utility Newsletter

November 2010



UPDATE FROM SUN PEAKS UTILITIES

Page 1 – Gas Rate Change & Winter Gas Safety Reminder

Page 2 – FOGS in the Sewer System & Community Information – Discovery Centre Update

GAS RATE CHANGE – In the past, Sun Peaks Utilities has joined with other propane distribution utilities and pre-purchased its winter fuel requirements. However, due to the increase in fuel costs over the past nine months, we had held off committing to our previous pre-buy volumes in the hopes that the premium and basic fuel cost would drop. We now have pre-purchased 1,000,000 liters of our normal 3,000,000 liter requirement for the winter season.

Based on our pre-purchased fuel price and the current market conditions, the Utility has now filed an application to the BC Utilities Commission (www.bcuc.com) for a 5.9% rate increase on the commodity price with a proposed effective date of December 1, 2010. If granted, the change would appear on your January 2011 invoice. A copy of the full application is available on the Utility’s web site at www.sunpeaksutilities.com under “Gas.”

The following are examples of the effects of this proposed rate increase scheduled to be effective December 1, 2010:

Customer Type	Annual Propane in Gigajoules (Gj) used	Current Commodity Rate per Gj	Proposed Commodity Rate Only per Gj	% Increase in Overall Annual Gas Cost (% includes Basic and Delivery charges)
Residential Condo	18	\$15.7360	\$16.6650	3.1%
Single Family Home	85	\$15.7360	\$16.6650	4.5%
Small Commercial	354	\$15.7360	\$16.6650	4.9%
Commercial	4,260	\$15.7360	\$16.6650	4.9%
Large Commercial	10,000	\$15.7360	\$16.6650	5.0%

Future Gas Rate Changes – With the continued significant increase in fuel prices, the Utility is allowing the Gas Cost Recovery Account to absorb what would normally have required a gas commodity increase of over 12%. We remain hopeful that should prices drop in the spring as they traditionally have, we will be able to hold these proposed rates. However, we will review the commodity fuel costs once the pre-purchased fuel is used up in March 2011 and we may be forced to apply for a further increase in the commodity price rather than wait until the Fall as we have done in the past.

***** A WINTER SAFETY REMINDER *****

Please keep snow and ice from building up around your gas meter set in order to ensure that the meter can continue to work properly. If necessary, Sun Peaks Utilities will clear meters of ice, snow or other materials. The Gas Tariff’s Terms and Conditions allow the charge for this work to be added to your monthly Utility bill. The charge for the first time this work is required during a **one-year period is \$50 and each additional time is \$100**. If you are not sure on how to safely clear your meter, please contact the Utility at 250-578-5490 or 250-319-0629 and we would be pleased to help you at no charge. Remember that gas is a safe commodity if treated and used properly.



Fridge Magnets that can be left in your unit with contact information are available free of charge at the Utilities’ Burfield Offices.

If you do detect a gas odor (similar to rotten eggs), please call our emergency number at 250-319-0629.

If you cannot reach the Utilities’ technician at 250-319-0629, PLEASE DIAL 9-1-1.

For more information on these subjects or any other utility matter, please contact the Utility’s office at utilities@sunpeaksresort.com or 250-578-5490.

Utility Newsletter

November 2010



FATS, OILS AND GREASE AREN'T JUST BAD FOR ARTERIES AND WAISTLINES; THEY'RE BAD FOR SEWERS TOO!

Sewer overflows and backups can cause health hazards, damage home interiors, and threaten the environment. A common cause of overflows is sewer pipes blocked by grease. Grease gets into the sewer from household drains, as well as from poorly maintained grease traps in restaurants and other businesses.

Caution: Grease traps or interceptors at restaurants, large buildings, and other commercial establishments must be properly designed to handle the amount of grease that is expected, be installed correctly, and be cleaned and serviced on a frequent basis.



Helping To Prevent Sewer Overflows and Backups Is Easy.

Where Does the Grease Come From? – Grease is a byproduct of cooking from meat fats, lard, oils, shortening, butter, margarine, food scraps, baked goods, sauces, and dairy products. When washed down the sink, grease sticks to the insides of sewer pipes (both on your property and under the streets). Over time, it can build up and block entire portions of your home's or businesses' plumbing system.

The results can be:

- Raw sewage overflowing into your home or the house next door.
- An expensive and unpleasant cleanup often required to be paid for by you, the home or business owner.
- Raw sewage overflowing into parks and streams.
- Potential contact with disease causing organisms.

Each year, the Utility spends between \$10,000 and \$20,000 flushing grease and rocks (from construction) out of its sewer main lines. This maintenance work required due to grease building up causes higher sewer bills for our customers. Please help us keep the sewer system flushing by keeping grease out of your drains.

Tip: Cool your grease in disposable container in the refrigerator until full and discard with your trash.

For more information on these subjects or any other utility matter, please contact the Utility's office at utilities@sunpeaksresort.com or 250-578-5490.

Community Message – Learning at the Discovery Centre in Sun Peaks is now in full swing and the children love their new learning environment at the top of the Platter Ski Run. Along with regular daily lessons, the children have enjoyed golf lessons; soccer; music; plus a field trip to the Adams River Sockeye Salmon run, the largest Sockeye run in a century that turned out to be a great day with lots learned.

The children have a great line up of activities starting in November with Gym & Swim at the Canada Games Centre, plus the first Young Peoples Concert of the year. With the ski hill slated to open on November 20th, children are very excited about winter sports and being able to ski or tube during their lunch hour! With a winter sports program of Skiing; Tubing; Snowshoeing; Skating; and Cross Country, students will be able to take advantage of this great mountain environment.

Fund raising - The response to our fund raising efforts to date has been incredible and we extend our warmest thanks to everyone for their generous support. Fall fund raising kicks off with one of Sun Peaks' premier fund raising events – the Sun Peaks Fire Fighters Charity Gala on November 20th. More fundraising events are planned for the festive holiday season. For more news and information visit our website at www.balancededucation.ca



Sun Peaks Utilities Co., Ltd.
2010 Rate Application
(Proposed to be effective December 1, 2010)

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Sun Peaks Utilities Co., Ltd.

Proposed 2010 Commodity Rate Application (To take effect December 1, 2010)

Customers & Consumption - Propane

Nov 9/10

Schedule 1

Year ended April 30th	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Estimated 2011	Estimated 2012	Average 2007-10
Average consumption by Rate Group							
<i>Group 1 residential</i>							
# customers, avg over year	714	786	827	836	844	855	
Total avg annual usage	37.6	39.4	40.6	36.2	38.4	38.4	38.4
<i>Group 2 small commercial</i>							
# customers, avg over year	13.0	15.5	19.0	20.5	20.0	20.0	
Total avg annual usage	328	343	406	339	354	354	354.1
<i>Group 3 large commercial</i>							
# customers, avg over year	9.5	10.0	10.5	11.0	11.0	11.0	
Total avg annual usage	4,832	5,175	4,624	3,306	4,260	4,260	4,484.1
Change in average consumption by Rate Group							
<i>Group 1 residential</i>	5.2%	4.8%	3.0%	-10.9%	0.0%	0.0%	
<i>Group 2 small commercial</i>	49.6%	4.7%	18.3%	-16.6%	0.0%	0.0%	
<i>Group 3 large commercial (2)</i>	13.2%	7.1%	-10.6%	-28.5%	-5.0%	-5.0%	
Annual consumption by Rate Group							
<i>Group 1 residential</i>	26,813	30,980	33,561	30,237	32,440	32,870	
<i>Group 2 small commercial</i>	4,268	5,322	7,716	6,946	7,080	7,080	
<i>Group 3 large commercial</i>	45,903	51,745	48,557	36,361	46,860	46,860	
Total	76,984	88,047	89,834	73,545	86,380	86,810	
% Change in consumption	2.0%	14.4%	2.0%	-18.1%	17.5%	0.5%	
# Customers, end of year (April 30)							
<i>Group 1 residential</i>	752	820	834	838	850	860	
<i>Group 2 small commercial</i>	14	17	21	20	20	20	
<i>Group 3 large commercial</i>	10	10	11	11	11	11	
Total	776	847	866	869	881	891	
Customer Additions							
<i>Residential Customers Additions</i>	76	68	14	4	12	10	
<i>Small Commercial Customers Additions *</i>	5	3	4	(1)	0	0	
<i>Large Com Cust. Transfer to Small Com ***</i>	(3)						
<i>Large Commercial Customer Additions</i>	1	0	1	0	0	0	
	79	71	19	3	12	10	
Residential Customer Addition Projection							
<i>Bridge Gate townhouse project (Parcel 33)</i>					2	-	
<i>New townhouse/condo project (Parcel 61)</i>					-	-	
<i>#28 Forest Trails, re-install gas service</i>					1	-	
<i>Single Family</i>					9	10	
					12	10	

(2) Average usage expected to reduce mainly due to the Delta closing in Oct & Nov '10 and increased effort by commercial customers to reduce usage.

* Small Commercial Customers Additions in 2009 are due to 2 of the 3 meters installed at the Residences being set up on separate accounts, Whispering Pines Lodge and ReMax Offices at the Kookaburra. The reduction in 2010 is due to the ReMax Temporary Offices being removed from the Sun Peaks gas distribution system.

** Large commercial Customers. Addition in 2009 was the Kookaburra.

Sun Peaks Utilities Co., Ltd.

Proposed 2010 Commodity Rate Application (To take effect December 1, 2010)

Propane Cost Projection, year ending Apr 30/11

Nov 9/10	Schedule 2												Projected
Monthly Data	Actual May'10	Actual June	Actual July	Actual August	Actual Sept	Forecast October	Forecast November	Forecast December	Forecast Jan '11	Forecast February	Forecast March	Forecast April'11	Projected Total
<u>Propane Purchased in Advance</u>													
Propane, litres, October - March pre-buy						166,667	166,667	166,667	166,667	166,667	166,667		1,000,000
Fixed Price (\$Can/litre)						0.32600	0.32600	0.32600	0.32600	0.32600	0.32600		
Truck Transportation (\$Can/litre) *						0.06784	0.06784	0.07084	0.07084	0.07084	0.07084		
Price, Sun Peaks (\$Can/litre)						0.39384	0.39384	0.39684	0.39684	0.39684	0.39684		
<u>Current Market price estimate</u>													
Kinetic, S Alberta (\$Can/litre)	0.25503	0.25860	-	0.25765	0.28077	0.30700	0.30700	0.30700	0.30700	0.30700	0.30700	0.30700	
Truck Transportation (\$Can/l) *	0.06784	0.06784	-	0.06784	0.06784	0.06784	0.06784	0.07084	0.07084	0.07084	0.07084	0.06984	
Price, Sun Peaks (\$Can/litre)	0.32287	0.32644	-	0.32549	0.34861	0.37484	0.37484	0.37784	0.37784	0.37784	0.37784	0.37684	
<u>Propane Delivered: (Litres)</u>													
At Market prices	162,004	180,699	-	310,175	127,015	82,942	203,154	524,856	384,376	265,269	240,527	181,639	2,662,657
At Fixed price, Oct - March pre-buy	-	-	-	-	-	166,667	166,667	166,667	166,667	166,667	166,667	-	1,000,000
Total Propane deliveries, litres	162,004	180,699	-	310,175	127,015	249,609	369,820	691,523	551,043	431,935	407,194	181,639	3,662,657
Propane inventory, end of month (L)	170,667	244,377	158,760	359,478	353,808	318,808	318,808	318,808	318,808	318,808	318,808	228,808	
Propane inventory, end of month (%)	38%	54%	35%	79%	78%	70%	70%	70%	70%	70%	70%	50%	
<u>Propane Cost:</u>													
Estimated market prices	52,306	58,987	-	100,959	44,279	31,090	76,150	198,312	145,233	100,229	90,881	68,449	966,874
At Fixed price, Oct - March pre-buy	-	-	-	-	-	65,640	65,640	66,140	66,140	66,140	66,140	-	395,840
Total Propane Cost (\$Can)	52,306	58,987	-	100,959	44,279	96,730	141,790	264,452	211,373	166,369	157,021	68,449	1,362,714
Propane Cost per litre: (\$Can/l)	0.32287	0.32644	-	0.32549	0.34861	0.38753	0.38340	0.38242	0.38359	0.38517	0.38562	0.37684	0.37206
Propane Cost per GJ: (\$Can/GJ)	12.721	12.862	-	12.824	13.735	15.269	15.106	15.067	15.113	15.176	15.193	14.847	14.659
* Truck Transportation (\$Can/litre) Rates as at Nov 1/10													
Freight from Kinetic, S Alberta	0.06500	(increases to .067 as at Apr 1/11)											
Freight surcharge	0.00284												
Loading fee	-												
	0.06784												
Chain up & road ban delay charges	0.00300	Approx \$6,000 for Dec to March based on approx 2,000,000 L.											
	0.07084												

Sun Peaks Utilities Co., Ltd.

Proposed 2010 Commodity Rate Application (To take effect December 1, 2010)

Propane Cost Projection, year ending Apr 30/12

Nov 9/10 Schedule 3

Monthly Data	Forecast May'11	Forecast June	Forecast July	Forecast August	Forecast Sept	Forecast October	Forecast November	Forecast December	Forecast Jan '12	Forecast February	Forecast March	Forecast April'12	Projected Total
<u>Projected Market Price Fiscal 2011</u>													
Kinetic, S Alberta (\$Can/litre)	0.30700	0.30700	0.30700	0.30700	0.30700								
Truck Transportation (\$Can/litre) *	0.06984	0.06984	0.06984	0.06984	0.06984								
Price, Sun Peaks (\$Can/litre)	<u>0.37684</u>	<u>0.37684</u>	<u>0.37684</u>	<u>0.37684</u>	<u>0.37684</u>								
<u>Assume Propane Purchased in Advance using previous Winter's pre-buy price + \$.000 /L</u>													
Propane, litres						166,667	166,667	166,667	166,667	166,667	166,667		<u>1,000,000</u>
Fixed Price (\$Can/litre)						0.32600	0.32600	0.32600	0.32600	0.32600	0.32600		
Truck Transportation (\$Can/litre) *						0.06984	0.06984	0.07284	0.07284	0.07284	0.07284		
Price, Sun Peaks (\$Can/litre)						<u>0.39584</u>	<u>0.39584</u>	<u>0.39884</u>	<u>0.39884</u>	<u>0.39884</u>	<u>0.39884</u>		
<u>Projected Market Price 2011</u>													
Kinetic, S Alberta (\$Can/litre)						0.30700	0.30700	0.30700	0.30700	0.30700	0.30700	0.30700	
Truck Transportation (\$Can/litre) *						0.06984	0.06984	0.07284	0.07284	0.07284	0.07284	0.06984	
Price, Sun Peaks (\$Can/litre)						<u>0.37684</u>	<u>0.37684</u>	<u>0.37984</u>	<u>0.37984</u>	<u>0.37984</u>	<u>0.37984</u>	<u>0.37684</u>	
<u>Propane Delivered: (Litres)</u>													
At Market prices, litres	155,619	102,443	88,307	108,472	125,268	154,533	204,995	528,299	387,119	267,419	242,554	272,991	2,638,020
At Fixed price, litres	-	-	-	-	-	166,667	166,667	166,667	166,667	166,667	166,667	-	1,000,000
Total Propane deliveries, litres	<u>155,619</u>	<u>102,443</u>	<u>88,307</u>	<u>108,472</u>	<u>125,268</u>	<u>321,200</u>	<u>371,661</u>	<u>694,965</u>	<u>553,786</u>	<u>434,086</u>	<u>409,221</u>	<u>272,991</u>	<u>3,638,019</u>
Propane inventory, end of month (L)	228,808	228,808	228,808	228,808	228,808	228,808	228,808	228,808	228,808	228,808	228,808	228,808	
Propane inventory, end of month (%)	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
<u>Propane Cost:</u>													
At Market prices, litres	58,643	38,605	33,278	40,876	47,206	58,234	77,250	200,669	147,043	101,576	92,132	102,874	998,388
Fixed price	-	-	-	-	-	65,973	65,973	66,473	66,473	66,473	66,473	-	397,840
Total Propane Cost (\$Can)	<u>58,643</u>	<u>38,605</u>	<u>33,278</u>	<u>40,876</u>	<u>47,206</u>	<u>124,208</u>	<u>143,224</u>	<u>267,142</u>	<u>213,517</u>	<u>168,050</u>	<u>158,605</u>	<u>102,874</u>	<u>1,396,227</u>
Propane Cost per litre: (\$Can/l)	<u>0.37684</u>	<u>0.37684</u>	<u>0.37684</u>	<u>0.37684</u>	<u>0.37684</u>	<u>0.38670</u>	<u>0.38536</u>	<u>0.38440</u>	<u>0.38556</u>	<u>0.38714</u>	<u>0.38758</u>	<u>0.37684</u>	<u>0.38379</u>
Propane Cost per GJ: (\$Can/GJ)	<u>14.847</u>	<u>14.847</u>	<u>14.847</u>	<u>14.847</u>	<u>14.847</u>	<u>15.236</u>	<u>15.183</u>	<u>15.145</u>	<u>15.191</u>	<u>15.253</u>	<u>15.271</u>	<u>14.847</u>	<u>15.121</u>

* Truck Transportation (\$Can/litre) Rate

Freight from Didsbury, eff Apr 1/11	0.06700
Freight surcharge, (as at Nov 1/10)	0.00284
Loading fee	-
	<u>0.06984</u>
Chain up & road ban delay charges	<u>0.00300</u> Approx \$6,000 for Dec to March based on approx 2,000,000 L.
	<u>0.07284</u>

Sun Peaks Utilities Co., Ltd.

Proposed 2010 Commodity Rate Application (To take effect December 1, 2010)

Gas Cost Reconciliation Account - by Year 2007 to 2011

Nov 9/10

Schedule 4

Year ended April 30th		Actual 2004	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Forecast 2011	Forecast 2012
Annual consumption by customers (GJ)	A	73,315	75,487	76,984	88,047	89,834	73,545	86,380	86,810
Vaporizer Fuel Use (%)	B/A	1.57%	1.37%	1.20%	1.03%	1.09%	1.83%	1.30%	1.30%
Vaporizer Fuel Use (GJ)	B	1,149	1,036	925	910	977	1,349	1,123	1,129
Total consumption (GJ)	A+B=C	74,464	76,523	77,909	88,957	90,811	74,894	87,503	87,939
Unaccounted For (GJ)	G-C=D	1,621	5,020	7,049	4,900	4,467	3,865	4,375	4,397
Unaccounted For (%)	D/C=E	2.18%	6.56%	9.05%	5.51%	4.92%	5.16%	5.00%	5.00%
Unaccounted For (%) Average of last 3 years		3.49%	5.31%	7.60%	7.04%	6.49%	5.20%		
Propane Truck Deliveries (litres)	F	2,997,746	3,212,812	3,347,361	3,697,948	3,753,961	3,103,104	3,619,997	3,638,019
Propane Truck Deliveries (GJ)	F/39.4=G	76,085	81,543	84,958	93,857	95,278	78,759	91,878	92,336
Average Price (cents/litre)	L/F=H	25.89	34.61	35.12	41.92	45.07	34.61	37.64	38.38
Purchase quantity/GJ of Sales	G/A=I	1.0378	1.0802	1.1036	1.0660	1.0606	1.0709	1.0637	1.0637
Commodity Cost of Sales (cents/litre)	HxI=J	26.87	37.39	38.75	44.68	47.81	37.06	40.04	40.82
Commodity Cost of Sales (\$/GJ)	Jx39.4=K	\$10.5863	\$14.7314	\$15.2693	\$17.6043	\$18.8356	\$14.6012	\$15.7758	\$16.0837
Gas Cost Reconciliation Account (GCRA)									
Commodity Component									
Starting Commodity Balance		\$69,050	\$176,998	\$83,861	\$6,419	\$71,252	\$9,909	\$56,505	\$198,559
Propane Charges	L	776,134	1,112,032	1,175,490	1,550,004	1,692,080	1,073,845	1,362,714	1,396,227
Commodity Cost Recovery		(731,711)	(1,214,792)	(1,257,576)	(1,486,707)	(1,759,639)	(1,022,437)	(1,225,183)	(1,259,613)
SPUCL payment to reduce GCRA							(5,300)		
Interest Charges		4,803	9,623	4,644	1,536	6,216	488	4,524	9,473
Ending Commodity Balance (end of April)		\$118,276	\$83,861	\$6,419	\$71,252	\$9,909	\$56,505	\$198,559	\$344,647
Storage Facility Component									
Starting Storage Balance		215,841	190,237	164,218	130,547	75,075	14,137	33,774	25,984
Storage Facility Charges		116,400	116,400	116,400	118,800	130,400	176,400	176,400	176,400
Basic Charge & Storage Recovery Credits		(49,792)	(63,542)	(69,915)	(78,082)	(27,535)	-	-	-
Interest Charges		12,308	10,990	11,494	8,630	3,361	1,351	1,959	1,774
Commodity Charge - Storage Recovery		(87,210)	(89,867)	(91,650)	(104,820)	(167,164)	(158,114)	(186,149)	(187,076)
Ending Storage Balance (end of April)		\$207,547	\$164,218	\$130,547	\$75,075	\$14,137	\$33,774	\$25,984	\$17,082
Ending GCRA Balance (end of April)		325,823	248,079	136,966	146,327	24,046	90,279	224,543	361,729
Effective Interest Rate (%)		5.60%	6.70%	8.38%	7.18%	11.24%	3.22%	4.12%	3.84%
Average Start/End GCRA Balance									
Commodity Component		93,663	130,430	45,140	38,835	40,580	33,207	127,532	271,603
Storage Facility Component		211,694	177,228	147,383	102,811	44,606	23,956	29,879	21,533
Total		305,357	307,658	192,523	141,646	85,186	57,162	157,411	293,136

Sun Peaks Utilities Co., Ltd.

GCRA Commodity Account - Projected Fiscal Year 2011

Proposed 2010 Commodity Rate Application (To take effect December 1, 2010)

Schedule 5

Nov 9/10

	Actual May'10	Actual June	Actual July	Actual August	Actual Sep	Forecast October	Forecast November	Forecast December	Forecast Jan'11	Forecast February	Forecast March	Forecast April'11	Projected Total
Days per month	31	30	31	31	30	31	30	31	31	28	31	30	365
Consumption by customers (GJ)	3,667	2,464	2,124	2,609	3,006	7,661	8,814	16,491	13,110	10,266	9,703	6,466	86,380
Cumulative consumption (GJ)	3,667	6,131	8,255	10,864	13,870	21,531	30,345	46,836	59,945	70,211	79,914	86,380	
% Change over previous year	12.07%	-9.84%	4.79%	7.59%	11.75%	20.05%	20.05%	20.05%	20.05%	20.05%	20.05%	20.05%	17.45%
Cumulative change over previous yr	12.07%	2.10%	2.78%	3.89%	5.50%	10.26%	12.93%	15.34%	16.34%	16.87%	17.25%	17.45%	
Sales Distribution (% by Month)	4.25%	2.85%	2.46%	3.02%	3.48%	8.87%	10.20%	19.09%	15.18%	11.88%	11.23%	7.49%	100.00%
Vaporizer Fuel Use (%)	2.07%	0.00%	0.00%	0.00%	0.23%	0.85%	1.42%	1.36%	1.60%	1.70%	1.44%	1.55%	1.30%
Vaporizer Fuel Use (GJ) Est.	76	0	0	0	7	65	125	225	210	175	140	100	1,123
Total consumption (GJ)	3,743	2,464	2,124	2,609	3,013	7,726	8,939	16,716	13,320	10,441	9,843	6,566	87,503
Unaccounted For (GJ)	187	123	106	130	151	386	447	836	666	522	492	328	4,375
Unaccounted For (%), Sch 4	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Propane Required (Consum+Unacct) (GJ)	3,930	2,587	2,230	2,739	3,164	8,112	9,386	17,551	13,986	10,963	10,335	6,894	91,878
Propane Truck Deliveries (litres)	162,004	180,699	0	310,175	127,015	284,609	369,820	691,523	551,043	431,935	407,194	271,639	3,787,657
Average Price (cents/litre)	32.29	32.64	#DIV/0!	32.55	34.86	33.99	38.34	38.24	38.36	38.52	38.56	25.20	35.98
Propane purchase cost	52,306	58,987	-	100,959	44,279	96,730	141,790	264,452	211,373	166,369	157,021	68,449	1,362,714
Purchase quantity/GJ Sold to Customers	1.0718	1.0500	1.0500	1.0500	1.0524	1.0589	1.0649	1.0643	1.0668	1.0679	1.0652	1.0662	1.0637
Commodity Purchase Cost of Sales (cents/lit)	34.60	34.28	#DIV/0!	34.18	36.69	35.99	40.83	40.70	40.92	41.13	41.07	26.87	38.27
GCRA Cost of Sales													
Commodity Charge - Storage (per GJ)	\$2.1550	\$2.1550	\$2.1550	\$2.1550	\$2.1550	\$2.1550	\$2.1550	\$2.1550	\$2.1550	\$2.1550	\$2.1550	\$2.1550	\$2.1550
Commodity Charge - Propane (per GJ)	\$13.5810	\$13.5810	\$13.5810	\$13.5810	\$13.5810	\$13.5810	\$13.5810	\$14.5100	\$14.5100	\$14.5100	\$14.5100	\$14.5100	\$14.5100
Commodity Charge - GCRA Recovery (per	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
	\$15.7360	\$15.7360	\$15.7360	\$15.7360	\$15.7360	\$15.7360	\$15.7360	\$16.6650	\$16.6650	\$16.6650	\$16.6650	\$16.6650	\$16.6650
GCRA Account													
Starting Commodity Balance	\$56,505	\$59,180	\$84,867	\$56,210	\$122,007	\$125,649	\$118,755	\$141,251	\$166,828	\$188,456	\$206,381	\$223,255	\$56,505
Propane Charges	52,306	58,987	0	100,959	44,279	96,730	141,790	264,452	211,373	166,369	157,021	68,449	1,362,714
Commodity Cost Recovery	(49,802)	(33,464)	(28,846)	(35,433)	(40,824)	(104,039)	(119,708)	(239,278)	(190,224)	(148,957)	(140,787)	(93,823)	(1,225,183)
GCRA Cost Recovery	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Charges	171	163	189	271	188	414	413	403	480	512	640	679	4,524
Ending Commodity Balance	\$59,180	\$84,867	\$56,210	\$122,007	\$125,649	\$118,755	\$141,251	\$166,828	\$188,456	\$206,381	\$223,255	\$198,559	\$198,559
Ending Storage Facility Balance	\$40,663	\$50,158	\$60,420	\$69,667	\$78,096	\$76,553	\$72,510	\$51,919	\$38,543	\$31,239	\$25,136	\$25,984	
Ending GCRA Balance	\$99,843	\$135,024	\$116,630	\$191,674	\$203,746	\$195,308	\$213,760	\$218,747	\$227,000	\$237,620	\$248,391	\$224,543	
Interest Rate (Prime + 1%)	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Fiscal 2010, Consumption by Customers													
Customers, actual (GJ)	3,272	2,733	2,027	2,425	2,690	6,381	7,342	13,736	10,920	8,551	8,082	5,386	73,545
Cumulative consumption (GJ)	3,272	6,005	8,032	10,457	13,147	19,528	26,870	40,606	51,526	60,077	68,159	73,545	
Consumption by day (GJ)	105.5	91.1	65.4	78.2	89.7	205.8	244.7	443.1	352.3	305.4	260.7	179.5	201.5
Consumption May '09-Sep '09; Oct'09-Apr'10					13,147							60,398	73,545
Consumption Distribution by Month	4.4%	3.7%	2.8%	3.3%	3.7%	8.7%	10.0%	18.7%	14.8%	11.6%	11.0%	7.3%	100%

Sun Peaks Utilities Co., Ltd.

GCRA Storage Account - Projected Fiscal Year 2011 & 2012

Proposed 2010 Commodity Rate Application (To take effect December 1, 2010)

Nov 9/10

Schedule 7

	Actual May'10	Actual June	Actual July	Actual August	Actual Sep	Forecast October	Forecast November	Forecast December	Forecast Jan'11	Forecast February	Forecast March	Forecast April'11	Projected Total
May'10 - April'11													
Days per month	31	30	31	31	30	31	30	31	31	28	31	30	365
Consumption by customers (GJ)	3,667	2,464	2,124	2,609	3,006	7,661	8,814	16,491	13,110	10,266	9,703	6,466	86,380
Storage Charge Recovery (\$/GJ)	2.155	2.155	2.155	2.155	2.155	2.155	2.155	2.155	2.155	2.155	2.1550	2.1550	
Storage Charge Recovery	(7,902)	(5,310)	(4,577)	(5,622)	(6,478)	(16,509)	(18,995)	(35,537)	(28,252)	(22,123)	(20,909)	(13,934)	(186,149)
Interest Rate (Prime + 1%)	3.25%	3.50%	3.75%	3.75%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Starting GCRA Storage balance	33,774	40,663	50,158	60,420	69,667	78,096	76,553	72,510	51,919	38,543	31,239	25,136	33,774
Storage Charge Recovery	(7,902)	(5,310)	(4,577)	(5,622)	(6,478)	(16,509)	(18,995)	(35,537)	(28,252)	(22,123)	(20,909)	(13,934)	(186,149)
Storage Chg (incur due to plant expansion)	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700	176,400
Interest Charges	91	105	140	169	207	265	252	246	176	118	106	83	1,959
Ending GCRA Storage balance	40,663	50,158	60,420	69,667	78,096	76,553	72,510	51,919	38,543	31,239	25,136	25,984	25,984

	Forecast May'11	Forecast June	Forecast July	Forecast August	Forecast Sep	Forecast October	Forecast November	Forecast December	Forecast Jan'12	Forecast February	Forecast March	Forecast April'12	Projected Total
May'11 - April'12													
Days per month	31	30	31	31	30	31	30	31	31	28	31	30	365
Consumption by customers (GJ)	3,685	2,476	2,135	2,622	3,021	7,699	8,858	16,573	13,175	10,317	9,751	6,498	86,810
Storage Charge Recovery (\$/GJ)	2.1550	2.1550	2.1550	2.1550	2.1550	2.1550	2.1550	2.1550	2.1550	2.1550	2.1550	2.1550	
Storage Charge Recovery	(7,942)	(5,336)	(4,600)	(5,650)	(6,510)	(16,591)	(19,089)	(35,714)	(28,392)	(22,233)	(21,013)	(14,004)	(187,076)
Interest Rate (Prime + 1%)	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Starting GCRA Storage balance	25,984	32,830	42,302	52,546	61,774	70,167	68,514	64,350	43,555	30,010	22,569	16,333	25,984
Storage Charge Recovery	(7,942)	(5,336)	(4,600)	(5,650)	(6,510)	(16,591)	(19,089)	(35,714)	(28,392)	(22,233)	(21,013)	(14,004)	(187,076)
Storage Charge	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700	176,400
Interest Charges	88	108	144	179	203	238	225	219	148	92	77	54	1,774
Ending GCRA Storage balance	32,830	42,302	52,546	61,774	70,167	68,514	64,350	43,555	30,010	22,569	16,333	17,082	17,082

Sun Peaks Utilities Co., Ltd.

Application for Propane Commodity Price Increase

Proposed 2010 Commodity Rate Application (To take effect December 1, 2010)

Nov 9/10

Schedule 8

	Existing Rates (per GJ)	Proposed Rates (per GJ)	% Change	\$ Change
Proposed Rate Change				
Commodity Charge - Storage	\$2.1550	\$2.1550	0.0%	\$0.0000
Commodity Charge - Propane	\$13.5810	\$14.5100	6.8%	\$0.9290
Commodity Charge - GCRA	\$0.0000	\$0.0000	#DIV/0!	\$0.0000
Total Commodity Charge	\$15.7360	\$16.6650	5.90%	\$0.9290
Residential Delivery Charge (L Commercial + \$.50)	\$2.2375	\$2.2375	0.0%	\$0.0000
Total Variable Charges (Residential)	\$17.9735	\$18.9025	5.2%	\$0.9290

GCRA Summary using proposed rates:

	Fiscal 2011	Fiscal 2012	24 Month Total	Unit Cost (\$/Gj)
Consumption by customers (GJ)	86,380	86,810	173,190	
<u>GCRA Commodity Account Projection</u>				
Propane Cost	1,362,714	1,396,227	2,758,942	\$15.9301
Interest Charges on Commodity	4,524	9,473	13,997	\$0.0808
GCRA Commodity Cost Recovery	-	-	-	\$0.0000
	1,367,238	1,405,701	2,772,938	\$16.0110
Commodity Cost Recovery, based on proposed rates	(1,253,374)	(1,259,613)	(2,512,987)	(\$14.5100)
Increase (Decrease) in GCRA account balance	113,864	146,087	259,951	\$1.5010
<u>GCRA Storage Account</u>				
Storage Charges	176,400	176,400	352,800	\$2.0371
Storage Cost Recovery	(186,149)	(187,076)	(373,224)	(\$2.1550)
Interest Charges on Storage account	1,959	1,774	3,733	\$0.0216
Increase (Decrease) in GCRA account balance	(7,790)	(8,901)	(16,692)	(\$0.0964)
<u>Total GCRA Account Projection</u>				
GCRA at April 30/10	\$56,505	\$33,774	\$90,279	
Change, Fiscal 2011	113,864	(7,790)	106,074	
GCRA at April 30/11	170,369	25,984	196,352	
Change, Fiscal 2012	146,087	(8,901)	137,186	
GCRA Balance at April 30/12	316,456	17,082	333,539	

Sun Peaks Utilities Co., Ltd.
Customer Gas Cost Change

Proposed 2010 Commodity Rate Application (To take effect December 1, 2010)

Nov 9/10

Schedule 9

	Current Rates		Proposed Rates		Change	
	Rate	Annual Cost	Rate	Annual Cost	Annual Cost	%
Average Residential User (Condo, Townhouse)						
Annual Gas Consumption (Gj)	18					
Basic Charge (per month)	18.00	216.00	18.00	216.00	0.00	0%
Delivery Charge (per Gj)	2.2375	40.28	2.2375	40.28	0.00	0%
Commodity Charge (per Gj)	15.7360	283.25	16.6650	299.97	16.72	5.9%
Total Annual Energy Costs (excluding Taxes)		539.52		556.25	16.72	3.1%
Average Residential User (Single Family House)						
Annual Gas Consumption (Gj)	85					
Basic Charge (per month)	18.00	216.00	18.00	216.00	0.00	0%
Delivery Charge (per Gj)	2.2375	190.19	2.2375	190.19	0.00	0%
Commodity Charge (per Gj)	15.7360	1,337.56	16.6650	1,416.53	78.96	5.9%
Total Annual Energy Costs (excluding Taxes)		1,743.75		1,822.71	78.96	4.5%
Average Small Commercial						
Annual Gas Consumption (Gj)	354					
Basic Charge (per month)	30.00	360.00	30.00	360.00	0.00	0%
Delivery Charge (per Gj)	2.2375	792.08	2.2375	792.08	0.00	0%
Commodity Charge (per Gj)	15.7360	5,570.54	16.6650	5,899.41	328.87	5.9%
Total Annual Energy Costs (excluding Taxes)		6,722.62		7,051.49	328.87	4.9%
Average Large Commercial						
Annual Gas Consumption (Gj)	4,260					
Basic Charge (per month)	120.00	1,440.00	120.00	1,440.00	0.00	0%
Delivery Charge (per Gj)	2.7375	11,661.75	2.7375	11,661.75	0.00	0%
Commodity Charge (per Gj)	15.7360	67,035.36	16.6650	70,992.90	3,957.54	5.9%
Total Annual Energy Costs (excluding Taxes)		80,137.11		84,094.65	3,957.54	4.9%
Large Commercial - Large Hotel						
Annual Gas Consumption (Gj)	10,000					
Basic Charge (per month)	120.00	1,440.00	120.00	1,440.00	0.00	0%
Delivery Charge (per Gj)	2.7375	27,375.00	2.7375	27,375.00	0.00	0%
Commodity Charge (per Gj)	15.7360	157,360.00	16.6650	166,650.00	9,290.00	5.9%
Total Annual Energy Costs (excluding Taxes)		186,175.00		195,465.00	9,290.00	5.0%
Components of the Rate Charge are as follows:						
Storage Facility (per Gj)		\$2.1550		\$2.1550	\$0.0000	0%
Commodity Price (per Gj)		\$13.5810		\$14.5100	\$0.9290	6.8%
GCRA Recovery (per Gj)		\$0.0000		\$0.0000	\$0.0000	#DIV/0!
Commodity Charge		\$15.7360		\$16.6650	\$0.9290	5.9%
Residential Delivery Charge (Commercial + \$.50)		\$2.2375		\$2.2375	\$0.0000	0%
Total Variable Charges		\$17.9735		\$18.9025	\$0.9290	5.2%



Sun Peaks Utilities Co., Ltd.
2010 Rate Application
(Proposed to be effective December 1, 2010)

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