**REQUESTOR NAME:** Water Utility Regulation Section, Water Management Branch

 Ministry of Water, Land and Resource Stewardship

**INFORMATION REQUEST NO:** 1
**TO:** Big White Water Utility Ltd.

**DATE:** June 25, 2025

**REFERENCE NO:** 8064

**APPLICATION NAME:** Rate Increase & Tariff Update

A preliminary review of Big White Water Utility Ltd.’s (the Utility) application to amend water rates has been made. In addition, a review of the submissions received from Utility customers has also been completed and the Deputy Comptroller has decided to continue with the written hearing process. A summary of the main concerns and/or questions are provided below. Please provide responses to the following:

1. **Reference: Section I: Relief Sought, Schedule B & C, pg. 4**
	1. Provide the detailed calculations showing how the proposed charge of $1,249 per bed unit was arrived at. In addition, provide the source or reference to support the conversion of 1.25 Service Factors to Bed Units.
	2. Discuss whether the Utility considered increasing the proposed charge to speed up the repayment of the frontended costs incurrsed for key infrastructure. Would a significant CIAC charge be appropriate for Big White? What would the CIAC charge need to be to fully repay the frontended costs in 5 years rather than 8 years?
	3. What are the implications for treating a customer with more than four Units as a commercial customer rather than residential? Explain the Utility’s rationale for making this distinction.
	4. Further explain the meaning of “a distinct new Customer” when billing a secondary suite. Who will be charged for the secondary suite, i.e. will it be the owner of the property or the tenant? What will be the rate applicable to secondary suites?
2. **Reference: Section II: Capital Plan, pg. 6-7**
	1. Provide a copy of the most current Water Master Plan.
	2. Submit the Depreciation Schedule completed and stamped by the Utility’s engineer using the attached Schedule A from the CPCN Guide. Further explain the approach used in Table 2.2 and how it differs from CPCN Guide’s Schedule A.
3. **Section III: Revenue Requirements for the Test Period, pg. 8-13**
	1. Update Table 3.1 with 2025 Actuals
	2. Provide the external source or reference used to increase most expenses by 3% per year inflation factor.
	3. Provide a breakdown of Legal fees incurred by the Utility for fiscals 2022 to 2024 by category. Apart from title searches and annual corporate filings, please explain what other routine legal matters the Utility is incurring legal fees for. Explain why 2023 Actual was $20,295.
	4. Please clarify who the management fee is paid to and provide a breakdown of the cost. Explain whether this cost is allocated between sewage and electricity. If so, how are the costs allocated between all three utilities. Explain how the management fee differs from the wages paid to the new Utility employee, focusing on commercial, managerial, and regulatory matters and to the consulting fee paid to Keppel Gate Consulting Ltd for matters pertaining to utility management.
	5. For 2022-2025 Actuals and 2025 Proposed, provide a breakdown of Professional/Consulting Fees by the three general areas: accounting, engineering, and specialist consulting. Further breakdown the specialist consulting costs for Ecora Engineering and Keppel Gate Consulting Ltd. Explain why the Utility expects these specialist consulting fees to continue in the future once the rate application is finalized and no major capital projects are proposed in the next five years.
	6. Explain why R&M-Hydrants is increasing from $290 (2024 Actual) to $16,000 starting in 2025. Further explain the maintenance and repair program in place for the Utility’s network of fire hydrants.
	7. Explain why R&M – Equipment increased from $20,298 in 2023 to $44,389 in 2024 and why the Utility is forecasting a further 15% increase to $51,045 in 2025.

Provide a description of the Utility’s routine repairs and maintenance schedule.

* 1. Explain why R&M – Software cost is forecast to increase from $5,082 (2024 Actual) to 11,235 starting in 2025 Proposed. Why has the proposed amount doubled since 2024?
	2. Explain the difference between Snow Management and Snow Removal and further explain why the Utility is incurring both costs that appear to be for the same task. Who does the Resort employ to carry out this work?
	3. Provide a table showing the breakdown of total wages costs allocated between water, wastewater and gas utilities for 2022 to 2025 for each position. Include additional costs included for casual labour, the new employee and other costs, if applicable. What is the equivalent of FTEs needed to operate the water system.

Further explain the increase in Wages over the last three years of Actuals and why total wages have increased by 50% in 2024 when compared to 2022.

* 1. Confirm whether the “Interest payable to BWSR” line item on Table 3.1 is referred to as Utility Return on page 13 of the Application. If it is related to loan repayment, provide details of the loan, including payment schedule, term, interest rate, etc.
	2. Explain why the Utility believes that an annual return of 10% of annual operating costs is appropriate. How does the proposed annual return compare to other regulated utilities, for example, BCUC’s rate of return for low risk, TES utilities.

Provide the detailed calculation for how the annual return is being calculated and reference where it is included in Revenue Requirements. What operating costs are included in this calculation?

1. **Reference: Section IV: Treatment of Costs Arising from the Powder Basin Reservoir System**
	1. Is the owing DCTF amount of $1,036,235 included in Table 5.2 on pg. 17? If not, update Table 5.2 showing how long it will take to recover this cost and other frontended costs with forecast DCCs.
	2. Provide the engineering analysis to support 40% of the project should be recovered from existing customers. Further explain how the project cost related to existing customers will be recovered in Rates.
	3. Further explain how the Utility proposes to recover the $1.7 million from the RRTF. Provide a table showing forecast RRTF activity up to 2038 including recovery of the $1.7 million, forecast contributions, interest earnings and withdrawals.
	4. Further explain whether the remaining cost from the Powder Basin Reservoir is included in Revenue Requirements and being recovered through customer rates.
	5. Several customer submissions argue that the expansion of the water system was clearly for the expansion of the resort and although it did not occur at the anticipated rate, the developer and owners of the land will benefit from the expansion. Further explain the Utility’s rationale for why existing customers should pay for this project and not the Resort who stands to benefit from it.
2. **Reference: Section V: Load Forecast, Billing Determinants, and Rate Design**
	1. Update Table 5.3 with 2025 Actual.
	2. Expand on Table 5.3 to include detailed calculations for the Fixed Charge Revenue and Variable Charge Revenue showing the total number of service factors for each year (rate x total service factors) and actual and proposed consumption amounts (total cubic meter x metered rate). Also, include revenue collected from vacant lots with rent charges, connection fees and fire protection. For vacant lots and fire protection provide detailed calculations.
3. **Reference: Appendix 1: Sample Bill Impacts**
	1. Provide an estimated bill impact for an average residential and an average commercial customer with billing under the current rate compared to the proposed rates. Show the calculation of the base rate and assumptions used for the metered rate. Provide estimate for low and high season use and for a vacant lot.
4. **Reference: 2024 Financial Statements**
	1. On the 2024 Balance Sheet, the Utility is reporting $3,845,470 Due to Big White Ski Resort, up from $2,875,935 in 2023. Further explain the purpose of the amount due to the Resort. Why did it increase by $970,000 in 2024. Does the Utility expect the Resort to request payment after the next fiscal year?
	2. Further explain the reason for Developer Contributions in the amount of $2.3 million as recorded in 2024 and why it increased from $1.5 million in 2023. Who is the developer making these contributions and how is it being recovered?