

ORDER NUMBER 2673

PROVINCE OF BRITISH COLUMBIA
OFFICE OF THE DEPUTY COMPTROLLER OF WATER RATES

IN THE MATTER OF
the *Water Utility Act* and the *Utilities Commission Act*
and

Apex Mountain Resort (1997) Ltd.

**For Approval of Revenue Requirements & Tariff Increase Application
Effective February 1, 2025**

BEFORE:

Bryan Robinson, Deputy Comptroller of Water Rights
PO BOX 9340 STN PROV GOVT
Victoria BC V8W 9M1

ORDER 2673

Dated this 21st day of January 2025

Whereas:

1. On August 9, 2023, Apex Mountain Resort (1997) Ltd. (“the Utility” or “Apex”) submitted a rate application to the Deputy Comptroller of Water Rights (“Deputy Comptroller”) for approval of its forecast revenue requirements for a three year test period, and to increase water rates effective November 1, 2023. The Utility submitted supporting documentation including an actual and forecast cash flow statement and proposed Water Tariff No. 4. In the application, Apex is requesting substantial rate increases largely as a result of completion of the 2023 Waterworks Depreciation Report and higher proposed operating and administrative expenses.
2. On August 10, 2023 Apex advertised its application by mailing Notices to all its customers. A copy of the Notice and Application were made available online on the Utility’s website and in-person for public inspection. The Notice provided customers with an opportunity to submit comments to the Deputy Comptroller by September 10, 2023. The Deputy Comptroller’s office granted an extension to the deadline to September 25, 2023. Fifteen written submissions were received.
3. The written hearing process continued and the Utility was required to respond to a request for additional information (“Information Request”) on April 8, 2024. The Utility’s complete response was received on June 25, 2024. This concluded the written hearing process.
4. The Deputy Comptroller has reviewed the application, relevant evidence and submissions filed by the Utility and customers (collectively called “the Application”) and makes the following determinations:
 - a. From rates collected, the Utility is required to contribute 27% for 2026, 37% for 2027 and 42% for 2028 test years into the Replacement Reserve Trust Fund (RRTF). The Utility is to ensure that deposits to the RRTF are made as rates are billed and collected. No releases may be made from the RRTF without the Deputy Comptroller’s written authorization.
 - b. Total Revenue Requirements of \$469,178 for 2026, \$555,606 for 2027 and \$617,340 for 2028 test years as shown on the attached Schedule A are approved for rate setting purposes.
 - c. Effective February 1, 2025 the following annual rates per pillow unit are considered to be necessary for the Utility to meet approved 2026-2028 Revenue Requirements:

	Approved	Approved	Approved
Effective Date	01-Feb-25	01-Feb-26	01-Feb-27
Annual Rate per Pillow Unit	\$ 152.00	\$ 180.00	\$ 200.00

- d. The Utility is to comply with all other determinations and directives in the reasons for decision attached as Appendix A to this order.

NOW THEREFORE pursuant to sections 58 to 61 of the *Utilities Commission Act* and for the reasons provided in the decision issued with this order, Apex Mountain Resort (1997) Ltd.'s Application is approved effective February 1, 2025 and Water Tariff No. 4 is accepted for filing by the Deputy Comptroller.

Dated at the City of Victoria in the Province of British Columbia, this 21st day of January 2025.



Bryan Robinson
Deputy Comptroller of Water Rights under the
Water Utility Act/Utilities Commission Act

Attachments

IN THE MATTER OF

An Application by

Apex Mountain Resort (1997) Ltd.

**For Approval of Revenue Requirements & Tariff Increase Application
Effective February 1, 2025**

BEFORE:

Bryan Robinson, Deputy Comptroller of Water Rights
PO BOX 9340 STN PROV GOVT
Victoria BC V8W 9M1

REASONS FOR DECISION FOR ORDER 2673

Dated this 21st day of January 2025

1.0 Background

Apex Mountain Resort (1997) Ltd. (“the Utility” or “Apex”) is a privately held corporation that owns and operates a water system on Apex Mountain, a ski resort near Penticton, British Columbia. The Utility is regulated under the *Water Utility Act* and the *Utilities Commission Act* by the Comptroller of Water Rights (“Comptroller”). Under the *Water Sustainability Act*, the Deputy Comptroller of Water Rights (“Deputy Comptroller”) is authorized to exercise the powers and perform all the duties of the Comptroller.

On February 10, 1981, the Comptroller issued Certificate of Public Convenience & Necessity (CPCN) authorizing the construction and operation of a waterworks system to serve a 38-lot subdivision, condominium and commercial resort development. It has since been expanded in multiple phases. On June 18, 2024 CPCN 1649 was issued to consolidate the legal descriptions of the authorized service area. The Utility provides service to 654 residential and commercial unit types which is equivalent to 3,086.7 pillow units. All unit types have been classified on a per pillow unit basis.

The water system serves a variety of residential dwellings such as single family, duplexes, townhouses, and condominiums. There are also several commercial units such as restaurants, day lodge, food outlets, and commercial and laundry outlets.

The existing treatment and storage system consists of the following components:

- Nickel Plate Lake Intake and Raw Water Supply Main
- Keremeos Creek Intake
- Water Supply Well
- UV and Filtration Treatment Plant
- Chlorine Contact Chambers
- Concrete treated water reservoir (1,300 m³ capacity)

2.0 Introduction

On August 9, 2023 Apex submitted a rate application seeking approval of its forecast revenue requirements for a three year test period, and to increase water rates effective November 1, 2023. The Utility submitted supporting documentation including an actual and forecast cash flow statement and proposed Water Tariff No. 4. In the application, Apex is requesting substantial rate increases largely as a result of completion of the 2023 Waterworks Depreciation Report and higher proposed operating and maintenance expenses. The current water rates have been in place since August 1, 2009 when Order 2215 was issued approving Water Tariff No. 3.

The current and proposed water rates are:

	# of Pillows	Current	Proposed	Proposed	Proposed
ANNUAL RATES					
Residential Service Flat Rates					
Single Family Dwelling	6.0	\$ 505.00	\$ 908.90	\$ 1,064.40	\$ 1,201.72
Duplex	12.00	1,010.00	1,817.80	2,128.80	2,403.44
Townhouse	6.00	505.00	908.90	1,064.40	1,201.72
Condominiums					
Studio	2.00	210.40	378.30	442.96	500.03
One Bedroom	2.40	280.50	504.34	590.53	666.63
Two Bedroom	4.60	350.60	630.38	738.11	833.24
Three Bedroom	6.00	420.75	756.51	868.43	999.96
Hotels					
1 Bed	2.00	210.40	378.30	442.96	500.03
2 Beds	2.40	280.50	504.34	590.53	666.63
3 Beds	4.60	350.60	630.38	738.11	833.24
4 Beds	6.00	505.00	908.90	1,064.40	1,201.72
Carriage House					
One Bedroom	2.40	-	504.34	590.53	666.63
Two Bedroom	4.60	-	630.38	738.11	833.24
Three Bedroom	6.00	-	908.90	1,064.40	1,201.72
Commercial Flat Rates					
Restaurants, Lounges, Day lodges (per seat)		11.22	20.17	23.61	26.66
Other properties with less than 6 outlets	6.00	505.00	908.90	1,064.40	1,201.72
Commercial Laundry Outlets	6.00	505.00	908.90	1,064.40	1,201.72
Coin Laundry Outlets (6 unit max)	6.00	505.00	908.90	1,064.40	1,201.72
Availability of Service (Rent) Charge	4.20	252.50	595.83	724.48	841.20

On August 10, 2023 Apex advertised its application by sending Notices to all its customers. A copy of the Notice and Application were made available online on the Utility's website and in-person for public inspection. The Notice provided customers with an opportunity to submit comments to the Deputy Comptroller by September 10, 2023. The Deputy Comptroller's office granted an extension to the deadline to September 25, 2023. Fifteen written submissions were received. Copies of the Utility's responses to the submissions were provided.

The written hearing process continued and the Utility was required to respond to a request for additional information ("Information Request") on April 8, 2024. The Utility's response was received on June 25, 2024. This concluded the written hearing process.

All evidence, including relevant submissions from the Utility and its customers, has been taken into consideration. Sufficient evidence was received to proceed with a review and decision on the Application. The issue to be decided by the Deputy Comptroller is whether to accept, set aside, or vary forecast revenue requirements and proposed water rate increases for the test years.

3.0 Revenue Requirements

Revenue Requirements (RR) include forecast operating expenses, reserve/trust fund provisions and operating margin. In order to ensure that the Utility continues to be a viable business entity while providing its customers with adequate water service, it is necessary to generate enough revenue through rates to cover forecast RR. As shown on the attached Actual & Forecast Cash Flow Statement, the Utility reported net losses of \$78,349 for 2022, \$111,474 for 2023 and \$89,949 for 2024. These losses are not recoverable through customers rates and therefore would have been subsidized by the Utility's owner.

3.1 Escalation Factor

The Utility has applied an escalation factor of either 3% or 4% depending on the expense item to adjust for cost-of-living increases in Proposed 2027 and 2028 test years. The Utility did not explain the basis for the proposed escalation factors.

Deputy Comptroller Determination:

After a period of high inflation, the Bank of Canada projects that consumer price inflation will return to the 2% target in the second half of 2025. Therefore an escalation factor of 2% should be applied to forecast operating expenses for 2027 and 2028 test years.

3.2 Operating and Administrative expenses

Deputy Comptroller staff sought updated information for 2023 and 2024 Actuals and 2026-2028 Forecast figures as well as further details on the proposed operating costs in the Information Request (IR). The Utility responded with additional information. Generally, operating and administrative expenses have remained stable with increases mainly tied to inflationary pressures and economic conditions. Three cost categories are worthy of further comment due to the significant proposed increases.

3.2.1 Payroll

The payroll expense item is comprised of the salaries and benefits (CPP, EI, WCB and vacation pay) associated with the operations manager, water technician and administrative support. The operations manager is responsible for monitoring the water system, supervising staff and emergency response while the water technician performs regular water system checks and completes repairs and maintenance on the water system. The Utility is not proposing any staff changes over the three year test period.

The majority of the increase is from the creation of a part-time position to help with the administration side of the utility, including the audit of existing connections and consolidation of the CPCN. There was also a substantial wage increase in the Utility's trades to be in line with the industry. There are seven employees that work part-time for the water utility.

Deputy Comptroller Determination:

The Deputy Comptroller accepts the Payroll forecasts for this test period but is concerned that the escalation of costs over the last number of years, combined with ongoing increases, will burden customers. In its next application for 2029, Apex is directed to provide a detailed assessment of all factors influencing the Payroll cost category for each staff position including work done for other entities at the Resort. An escalation factor of 2% rather than 4% should be applied to Payroll for 2027 and 2028.

3.1.2 Repairs, Maintenance & Supplies

Repairs, Maintenance and Supplies are proposed to increase from \$80,785 (2024 Actual) to \$119,363 (2025 Proposed). The major components in this cost category are filters, chlorine and hydrant maintenance. Since 2021 the cost of filters have increased in price and additional hydrant maintenance is now required. The proposed increase was worked out based on the 2022 figure. The decrease in the 2024 actual figure was due to the Utility obtaining a one-off deal on a supply of cartridge filters which saved the Utility money, however it is unlikely the savings will be possible in future years.

Deputy Comptroller Determination:

The Utility did not adequately quantify nor provide sufficient evidence to support a 32% increase for repairs, maintenance and supplies. The Deputy Comptroller recognizes that as the water system ages and water treatment requirements increase, it will likely require more resources and supplies. Using the average reported for the last three years (2022-2024) as a base plus an increase of 20%, an R&M budget of \$114,000 for 2026 is acceptable with the 2% escalation factor applied for 2027 and 2028.

3.1.3 Travel & Education

As part of its response to the IR, the Utility included the actual Travel & Education expense figure for 2024 and explained the proposed increase as follows:

“EOCP required training and travel increased as well as the CPD required. We have also been putting staff through more training such as Confined Space Awareness and Confined Space Entry courses. Again this expected increase was reflected in 2023.”

Deputy Comptroller Determination:

The Proposed figure was based on Actual expense reported for 2023. In 2024, Actual Travel and Education reported was \$4,266. The Utility’s response did not quantify the specific training requirements, nor did it explain why 2023 Actual was significantly higher than 2022 and 2024 figures. Using the three year average (2022 to 2024) an annual budget starting in 2026 of \$7,500 is considered reasonable for Travel & Education.

3.3 Replacement Reserve Trust Fund

The Deputy Comptroller requires regulated water systems to set up and maintain an RRTF to ensure funds will be available to pay for the replacement of water system components when required. The monies are set aside in a restricted bank account and no releases are allowed without the written authorization of the Deputy Comptroller. In the event the water system is sold or transferred, the RRTF transfers with the system for the beneficial interest of the customers. Annual RRTF deposits should be equal to standard depreciation rates for water system components, calculated using the “Standard Depreciation Rates for Private Water Utilities in British Columbia” – Schedule A form found in the CPCN Guide.

Order 1545 dated November 1, 1989 required the Utility to establish and maintain a RRTF with annual deposits to be made in accordance with its approved water tariff. As per Water Tariff No. 3, the Utility is required to deposit 15% of rates collected to the RRTF which is equivalent to \$33,000 per year.

As part of the Application, the Utility submitted its 2023 Waterworks Depreciation Report prepared by True Consulting which determined that the total current replacement value of the water system assets is estimated at \$12.4 million (in 2023 dollars) and annual depreciation is \$245,632.

The Utility is seeking approval to increase RRTF contributions over the next three years from 15% of rates collected to 29% in year one, 37.5% in year two and 43% in year three.

Deputy Comptroller Determination:

The proposal to phase in increases to the contribution rate is prudent as it reduces the impact of rate shock while ensuring funds are available to replace major system components when needed. As shown on the 2026-2028 Approved columns, a contribution rate of 27% in 2026, 37% in 2027 and 42% in 2028 will increase annual RRTF contributions so that by 2028, \$259,283 per year is being deposited to the RRTF. By 2028, annual RRTF contributions will be equivalent to the annual depreciation calculated in the True Consulting report as was required by the Deputy Comptroller.

The Utility is to ensure that deposits to the RRTF are made as rates are billed and collected. No releases may be made from the RRTF without the Deputy Comptroller’s written authorization.

Deputy Comptroller Determinations for Revenue Requirements:

Total operating expenses of \$339,065 for 2026, \$345,986 for 2027 and \$353,050 for 2028 test years are acceptable as shown on the attached Schedule A.

From rates collected, the Utility is required to contribute 27% for 2026, 37% for 2027 and 42% for 2028 into the Replacement Reserve Trust Fund (RRTF). The Utility is to ensure that deposits to the RRTF are made as rates are billed and collected. No releases may be made from the RRTF without the Deputy Comptroller’s written authorization.

Accordingly, Total Revenue Requirements of \$469,178 for 2026, \$555,606 for 2027 and \$617,340 for 2028 test years as shown on the attached Schedule A are approved for rate setting purposes.

4.0 Water Rates and Tarif Amendments

4.1 Water Meters

Some customers requested that the Utility install water meters and bill based on actual water consumption. In its response to those submissions, the Utility explained that establishing a water metering program is an additional cost that would be passed on to customers, both the upfront cost of the meter installation and the additional annual operating costs related to maintaining and reading the meters. Metered rates would need to be set so that revenues are sufficient to cover revenue requirements. This would include a base rate to guarantee the funds required to cover most revenue requirements and then an additional charge for the water consumption. Overall, the Utility anticipates that the rates would be even higher than what is currently proposed.

Deputy Comptroller Determination:

Implementing a water metering program can take several years and would be very expensive. The cost of installing meters to all customers would have to be recovered through a further rate increase and metered rates would only be set after two or three years of obtaining meter readings. It is likely that most customers would strongly object to that especially since the Utility must still recover its total revenue requirements through rates. **The Deputy Comptroller does not require the Utility to move to a water metering program at this time.** The Deputy Comptroller may require the Utility to revisit this issue and provide additional information in future rate applications if deemed necessary.

4.2 Pillow Unit Methodology and rate design

A pillow unit is defined as the accommodation required for one person to stay overnight. Pillow units can be publicly available on a night-by-night basis and/or privately available on a permanent basis for residential home, resort and employee use. Typically, a single family unit with three bedrooms is assigned 6 bed units. Commercial users such as day lodges, laundry outlets, restaurants, coffee shops and other food outlets are allocated an equivalent pillow unit amount based on the water demand for their facilities. The pillow unit allocations are determined by the Utility to ensure there is adequate water system capacity and are approved by the Deputy Comptroller with the issuance of a CPCN. The pillow unit allocation is based on a customer having water available 365 days of the year. There is little impact on the Utility's operation based on occupancy, i.e. if a residence is used as a long-term rental unit, a permanent residence, or as a short term vacation property as most costs are fixed.

In response to the IR, the Utility submitted the following information showing the total number of pillow units currently billed per property type and approved by Consolidated CPCN 1649 dated June 18, 2024:

Summary of Property Category:

Property Type	Number of Property Types	IR Response		Adjusted	
		Equivalent Pillow Units	Total Pillow Units	Equivalent Pillow Units	Total Pillow Units
Single family	145.0	6.0	870.0	6.0	870.0
Duplex	21.0	9.2	193.2	12.0	252.0
One bedroom condo	86.0	2.4	206.4	2.4	206.4
Two-bedroom condo	81.0	4.6	372.6	4.6	372.6
Three-bedroom condo	53.0	6.0	318.0	6.0	318.0
Studio condo	22.0	2.0	44.0	2.0	44.0
One bed hotel room	103.0	2.0	206.0	2.0	206.0
Two bed hotel room	18.0	2.4	43.2	2.4	43.2
Three bed hotel room	1.0	4.6	4.6	4.6	4.6
Four bed hotel room	2.0	6.0	12.0	6.0	12.0
Townhouses	71.0	6.0	426.0	6.0	426.0
One bed Carriage Home	1.0	2.4	2.4	2.4	2.4
Commercial Space (6 PU)	17.0	6.0	102.0	6.0	102.0
Commercial Space (8 PU)	1.0	8.0	8.0	8.0	8.0
Restaurant (280 seat)	1.0	37.2	37.2	37.2	37.2
Restaurant (395 seat)	1.0	52.5	52.5	52.5	52.5
Restaurant (60 seat)	1.0	8.0	8.0	8.0	8.0
Vacant Lots	29.0	6.0	174.0	4.2	121.8
Total	654.0		3080.1		3086.7

After adjusting the equivalent pillow units for a duplex unit from 9.2 to 12 as proposed by the Utility and from 6 to 4.2 for vacant lots as they are charged at 70% of a single family dwelling, the Total Pillow Unit count for rate setting purposes should be 3,086.7 pillow units.

Deputy Comptroller Determination:

The allocation of costs based on equivalent pillow units is deemed to be a fair method for a utility that does not have meters and is a common approach in the ski industry. Without metering it is not practical to introduce a difference approach to cost allocations as there are many variations in water usage, even in similar size and type of dwellings.

The Utility's method of allocating equivalent pillow units to the various classes of customers adheres to the CPCN Design Guidelines and is deemed as a fair method of allocating costs.

A total pillow count of 3,086.7 is approved for rate setting purposes.

4.3 Single Family Detached Premises

Submissions from several customers raised concerns that the pillow count for a single family dwelling is too low, especially for the newer and larger homes. In the IR, the Utility was asked to confirm whether every single family dwelling is charged 6 pillow units and if so, why they are not billed based on actual pillow units. In their response, the Utility confirmed that all single family dwellings are charged for 6 pillow units and to bill differently would be difficult and time consuming.

Currently, a building permit is issued by the RDOS prior to construction. The request for connection to the water system is a prerequisite of the building permit but at that time, the Utility does not know how many bedrooms or secondary suites the final dwelling could have. If a change from a single family dwelling to another dwelling type is requested, such as to a duplex, the RDOS does require the Utility's approval before a permit is issued. This gives the Utility the opportunity to confirm actual pillow unit count. However, for changes within an existing single family dwelling, such as adding more bedrooms or a secondary suite, the RDOS does not require a customer to seek the Utility's approval. Therefore, the Utility is not made aware of changes being made to existing dwellings. Unless the Utility can start billing existing properties correctly it does not believe it would be fair to only target new builds.

Deputy Comptroller Determination & Directive:

The Deputy Comptroller agrees that the building permit process adopted by the RDOS makes it difficult for the Utility to keep track of the changes being made to a single family dwelling. However, as other dwelling types are assessed based on actual number of pillow units, single family dwellings should be charged rates based on the actual number of pillow units as well. **In this Application, the Utility should continue to bill single family dwellings at 6 pillow units. However, in the next rate application, the Utility is required to propose tariff amendments to address this issue.** In the meantime, the Utility should refer to provisions already in the water tariff to determine if they can be appropriately used to confirm actual pillow unit counts, such as requiring a final inspection of the dwelling before water service is turned on, counting plumbed in open lofts as an extra bedroom and site visits to confirm pillow counts.

4.4 CIAC Charge

On Schedule B of Water Tariff No.4 the Utility proposes to increase the Contribution in Aid of Construction charge (CIAC charge) from \$270 to \$640 per pillow unit. The CIAC charge is collected from developers/new customers applying for an extension of service. The CIAC charge is a one-time charge that provides funds for the expansion of the system supply works due to a greater number of units being added to the utility's authorized service area. Monies collected from the CIAC charge are deposited into a restricted bank account and no releases are permitted without the Deputy Comptroller's approval.

The Utility was asked in the IR to provide the detailed calculation showing how the proposed pillow unit rate of \$630 was arrived at. In response, the Utility stated that they applied the same percentage increase used with the proposed water rates.

Deputy Comptroller Determination:

The CIAC charge of \$270 per pillow unit has not changed since 2001 and the proposed increase to \$640 per pillow unit does not reflect the current cost of construction. With the current replacement cost of the system valued at \$12.5 million serving 3,086.7 pillow units, the CIAC charge should be significantly higher. A phased-in approach to increasing the CIAC charge over several years would balance the interests of existing customers and future customers while not unduly discouraging development. Therefore, for 2026 a CIAC charge of \$1,000 per pillow unit, increasing by \$500 per year in 2027 and 2028 is reasonable. Additional increases to the CIAC charge should be considered in the next rate application.

Effective February 1, 2025, a CIAC Charge of \$1,000 per pillow unit, increasing to \$1,500 per pillow unit effective February 1, 2026 and to \$2,000 per pillow unit effective February 1, 2027 is warranted.

4.5 Minimizing Rate Shock/Future Rate Applications

The Deputy Comptroller notes that water rates were last set in 2009, which is an unacceptable period of time between rate applications. The Utility should review its revenue requirements every two to three years to ensure water rates are sufficient to meet operational requirements and protect the financial viability both in the short and long term. In general, customers are more tolerant of regular, smaller increases than one significant rate increase.

Deputy Comptroller Directive:

The Deputy Comptroller requires the Utility to review its water rates for adequacy and file a report with Comptroller staff, as well as an application for revised rates if required on or before February 28, 2028.

4.6 Water Rates

At the current rates the Utility is unable to recover approved forecast Revenue Requirements for 2026 through to 2028 and a rate increase is warranted. Based on an approved total pillow unit count of 3086.7, the annual per pillow unit rate should be calculated as follows:

	2026	2027	2028
Approved Revenue Requirements	\$ 469,178	\$ 555,606	\$ 617,340
Total Approved Pillow Units	3,086.7	3,086.7	3,086.7
Approved Water Rate, per pillow unit	\$ 152.00	\$ 180.00	\$ 200.00

Historically, the rate per pillow unit varied depending on the dwelling type and the Utility was unable to provide reasons for why this was the case. The same per pillow unit rate should be applied to each dwelling type as the pillow unit allocations are approved by the Deputy

Comptroller. This ensures that each customer type is paying their proportionate share of the Utility's approved revenue requirements.

Based on the above, the annual water rates per property type will be:

ANNUAL RATES	# of Pillows	Current	Approved 01-Feb-25	Approved 01-Feb-26	Approved 01-Feb-27
Residential Service Flat Rates					
Single Family Dwelling	6.0	\$ 505.00	\$ 912.00	\$ 1,080.00	\$ 1,200.00
Duplex	12.00	1,010.00	1,824.00	2,160.00	2,400.00
Townhouse	6.00	505.00	912.00	1,080.00	1,200.00
Condominiums					
Studio	2.00	210.40	304.00	360.00	400.00
One Bedroom	2.40	280.50	364.80	432.00	480.00
Two Bedroom	4.60	350.60	699.20	828.00	920.00
Three Bedroom	6.00	420.75	912.00	1,080.00	1,200.00
Hotels					
1 Bed	2.00	210.40	304.00	360.00	400.00
2 Beds	2.40	280.50	364.80	432.00	480.00
3 Beds	4.60	350.60	699.20	828.00	920.00
4 Beds	6.00	505.00	912.00	1,080.00	1,200.00
Carriage House					
One Bedroom	2.40	-	364.80	432.00	480.00
Two Bedroom	4.60	-	699.20	828.00	920.00
Three Bedroom	6.00	-	912.00	1,080.00	1,200.00
Commercial Flat Rates					
Restaurants, Lounges, Day lodges (per seat)		11.22	20.25	24.00	26.67
Other properties with less than 6 outlets	6.00	505.00	912.00	1,080.00	1,200.00
Commercial Laundry Outlets	6.00	505.00	912.00	1,080.00	1,200.00
Coin Laundry Outlets (6 unit max)	6.00	505.00	912.00	1,080.00	1,200.00
Availability of Service (Rent) Charge	70%	252.50	638.40	756.00	840.00

In the application submitted August 9, 2023, the Utility requested an effective date of November 1, 2023. The Utility requests that the effective date of the rate increase be February 1, 2025 to coincide with the next customer billing period. Therefore, from November 1, 2023 to January 31, 2025 customers have continued to be billed at the current rate. The Utility's request along with the other proposed changes to the Utility's existing Water Tariff No. 3 terms and conditions are acceptable.

Deputy Comptroller Determination:

The water rates as shown above are approved effective February 1, 2025.

The other proposed tariff amendments to the current Water Tariff No. 3 are acceptable.

5.0 Conclusion

Having considered all of the evidence affecting the proposed rates and changes to the terms and conditions of its Water Tariff, IT IS HEREBY DECIDE AND ORDERED that Apex Mountain Resort (1997) Ltd.'s Application as determined in this Reasons for Decision to Order No. 2673 is approved effective February 1, 2025 and Water Tariff No. 4 is accepted for filing by the Deputy Comptroller.

Dated at the City of Victoria, in the Province of British Columbia, this 21st day of January 2025.



Bryan Robinson
Deputy Comptroller of Water Rights under the
Water Utility Act/Utilities Commission Act

**APEX MOUNTAIN RESORT 1997 LTD.
ACTUAL & FORECAST CASH FLOW STATEMENT**

Schedule A

	APPROVED 2011	ACTUAL 2022	ACTUAL 2023	ACTUAL 2024	PROPOSED 2025	PROPOSED 2026	PROPOSED 2027	APPROVED 2026	APPROVED 2027	APPROVED 2028
OPERATING REVENUE:					<i>Test Year 1</i>	<i>Test Year 2</i>	<i>Test Year 3</i>	<i>Test Year 1</i>	<i>Test Year 2</i>	<i>Test Year 3</i>
Water tariffs	189,258	211,840	222,037	218,204	350,972	363,791	377,791	469,178	555,606	617,340
Replacement Reserve	33,398	32,289	33,307	32,733	129,860	200,085	260,676			
TOTAL REVENUE	222,656	244,129	255,344	250,937	480,832	563,876	638,467	469,178	555,606	617,340
		13%			29.0%	37.5%	43.0%	27.0%	37.0%	42.0%
EXPENSES										
Payroll	69,276	115,609	121,436	136,101	126,293	131,345	136,599	126,293	128,819	131,395
Other Operating										
Repairs, maintenance and supplies	36,000	89,356	114,993	80,785	119,363	124,137	129,103	114,000	116,280	118,606
Testing	6,800	11,689	8,487	9,044	12,880	13,266	13,664	12,880	13,138	13,400
Electricity	15,379	2,160	2,131	2,501	2,225	2,291	2,360	2,225	2,270	2,315
Travel & Education	1,500	3,396	13,631	4,266	14,176	14,743	15,333	7,500	7,650	7,803
Vehicle expense (truck and sled)	10,850	13,983	14,260	14,550	14,402	14,834	15,279	14,402	14,690	14,984
Permits	1,036	1,446	1,568	2,080	1,631	1,696	1,764	1,631	1,664	1,697
Subtotal Operating Exp	71,565	122,030	155,070	113,226	164,677	170,967	177,503	152,638	155,691	158,805
Total Operating Expenses	140,841	237,639	276,506	249,327	290,970	302,312	314,102	278,931	284,510	290,200
Administrative Expense										
Insurance	2,400	7,800	12,255	14,076	12,746	13,255	13,785	14,000	14,420	14,853
Bank charges	408	800	800	800	824	848	874	824	840	857
Management Fees and Accounting	31,200	36,000	36,000	36,000	37,080	38,192	39,338	37,080	37,822	38,578
Land taxes	1,500	1,750	1,750	1,750	1,850	1,850	1,850	1,850	1,887	1,925
Office Rent	2,160	4,200	4,200	4,200	4,326	4,455	4,589	4,326	4,413	4,501
Postage/Supplies	1,020	200	200	200	200	200	200	200	204	208
Telephone	960	1,800	1,800	1,800	1,854	1,909	1,966	1,854	1,891	1,929
Total Admin	39,648	52,550	57,005	58,826	58,880	60,709	62,602	60,134	61,477	62,850
TOTAL EXPENSES	180,489	290,189	333,511	308,153	349,850	363,022	376,704	339,065	345,986	353,050
OPERATING INCOME	42,167	(46,060)	(78,167)	(57,216)	130,982	200,854	261,763	130,113	209,620	264,290
Transfer to Replacement Reserve Fund	(33,398)	(32,289)	(33,307)	(32,733)	(129,860)	(200,085)	(260,676)	(126,678)	(205,574)	(259,283)
NET PROFIT/(LOSS)	8,769	(78,349)	(111,474)	(89,949)	1,122	769	1,087	3,435	4,045	5,007
REVENUE REQUIREMENTS	222,656	322,478	366,818	340,886	480,832	563,876	638,467	469,178	555,606	617,340