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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** E-2-05

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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473
and
An Application by Stargas Utilities Ltd.
for Acceptance of a Natural Gas Supply and Management Services Agreement
with Direct Energy Marketing Limited

BEFORE: L.F. Kelsey, Commissioner
L.A. O'Hara, Commissioner February 17, 2005

O R D E R

WHEREAS:

- A. Commission Order No. C-4-00 approved a Certificate of Public Convenience and Necessity for Stargas Utilities Ltd. ("Stargas") formerly known as Silver Star Mountain Resorts Utilities Ltd. to operate a natural gas distribution system at the resort community of Silver Star in British Columbia; and
- B. Commission Order No. G-19-00 dated February 17, 2000 approved an agreement with Terasen Gas Inc. formerly known as BC Gas Utility Ltd. for natural gas service to Stargas; and
- C. Commission Order No. G-6-05 dated January 19, 2005 approved a Rate Schedule 25 Agreement for firm transportation service to Stargas as a Tariff Supplement No. 13 effective November 1, 2004; and
- D. On January 31, 2005 Stargas filed for Commission acceptance of a natural gas supply and management services agreement ("Agreement") with Direct Energy Marketing Limited ("DEML"); and
- E. DEML will act as the utility's gas supplier; and
- F. The Commission has reviewed the Stargas filing and is satisfied that the Agreement is in the public interest.

NOW THEREFORE pursuant to Section 71 of the Utilities Commission Act, the Commission accepts for filing the natural gas and management services agreement between Stargas and DEML. The Commission orders Stargas to provide within 60 days of the end of each Stargas financial year, a yearly report to the Commission on natural gas volumes purchased, prices and fees paid to DEML under this agreement.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of February 2005.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner