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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-171-11**

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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 Approval to Change Gas Commodity Component of Rates**

BEFORE: L.F. Kelsey, Commissioner
D. Morton, Commissioner

October 6, 2011

O R D E R

WHEREAS:

- A. The British Columbia Utilities Commission (Commission) by Order C-4-00 approved a Certificate of Public Convenience and Necessity for Stargas Utilities Ltd. (Stargas) to operate a natural gas distribution system at the resort community of Silver Star;
- B. On October 14, 2010 the Commission approved by Order G-155-10, among other things, a Gas Sales and Purchase Agreement dated July 30, 2010 between Cascadia Energy and Stargas;
- C. On September 15, 2011 Stargas received approval from the Commission by Order L-75-11 to purchase up to 12,000 GJs of gas at fixed forward prices for the period ending May 31, 2012;
- D. On September 28, 2011 Stargas applied to reduce its commodity component charged to customers based on forecast gas costs effective November 1, 2011;
- E. According to Commission Order L-75-11 Stargas will file any new physical supply contract(s) pursuant to section 71 of the *Utilities Commission Act* and, to the extent Stargas locks in a gas price(s), must include justification that the fixed price(s) is (are) competitive relative to current forward prices when the arrangement was entered into;
- F. The Commission has considered the proposed change to gas commodity charges, and finds that the change to customer rates is justified.

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2

NOW THEREFORE pursuant to section 61(4) of *the Utilities Commission Act*, the Commission orders as follows:

1. The Commission approves the decrease in the gas commodity component of rates charged to Stargas customers from the current \$6.67/GJ to \$5.83/GJ, effective November 1, 2011.
2. Stargas is to include an explanation of the commodity component price change to \$5.83/GJ in its next monthly billing as "Notice to Stargas Utilities Ltd. Customers."

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of October, 2011.

BY ORDER

Original signed by:

D. Morton
Commissioner