



**ORDER NUMBER  
G-158-16**

**IN THE MATTER OF**  
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

Stargas Utilities Ltd.  
Application to Vary Commodity Rates

**BEFORE:**

D. M. Morton, Commissioner  
D. J. Enns, Commissioner  
W. M. Everett, Commissioner  
H. G. Harowitz, Commissioner  
M. Kresivo, Commissioner  
R. D. Revel, Commissioner

on October 27, 2016

**ORDER**

**WHEREAS:**

- A. On September 26, 2016, Stargas Utilities Ltd. (Stargas) submitted an application to the British Columbia Utilities Commission (Commission) for approval to increase the commodity component of rates from \$2.95 per gigajoule (GJ) to \$5.15 per GJ effective November 1, 2016 (Application). The Application also includes details of Stargas' annual contracting plan (ACP) for the contract year commencing November 1, 2016;
- B. Natural gas rates for Stargas were last changed effective November 1, 2015 when the Commission approved a decrease in the commodity component of rates from \$7.69 to \$2.95 per GJ via Order G-180-15 dated November 20, 2015;
- C. On October 24, 2016, in response to Commission staff questions, Stargas revised its commodity rate change request to an increase of \$2.33 per GJ to a commodity rate of \$5.28 per GJ effective November 1, 2016 to incorporate the more recent forward price forecasts;
- D. In the Application Stargas reports the Gas Cost Variance Account imbalance as of May 31, 2016, the end of the last fiscal year, is a surplus of \$19,870 resulting from lower than forecast gas prices for the 2015/16 winter. The requested rate increase accounts for this refund of the surplus and also reflects a return to higher gas purchase costs for the 2016/17 fiscal year based on forward prices forecast as of October 19, 2016;
- E. Stargas requests that the confidential components of the Application be kept confidential as they contain commercially sensitive information; and

- F. The Commission reviewed the Application as revised by the responses to the Commission staff questions and finds the proposed commodity rate change to be warranted and in the public interest. The review of the 2016/17 ACP will be addressed in a separate Commission order.

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

1. The British Columbia Utilities Commission approves an increase in the gas commodity component of rates charged to Stargas Utilities Ltd. customers from \$2.95 to \$5.28 per gigajoule effective November 1, 2016.
2. The Commission will hold confidential the confidential component of the application filed on September 26, 2016 and the confidential responses to the confidential Commission staff questions as this information is commercially sensitive and its disclosure could impede Stargas' ability to obtain favorable gas supply terms for its customers in the future.
3. Stargas Utilities Ltd. is to include an explanation of the commodity component rate change in its next monthly billing to customers.
4. Stargas Utilities Ltd. is directed to file a report with the Commission by October 1, 2017 on the Gas Cost Variance Account balances and, if necessary, proposed changes to commodity rates to be effective November 1, 2017.
5. Stargas Utilities Ltd. must file amended tariff pages with the Commission that reflect the approved increase in the gas commodity component of rates, no later than Tuesday, November 15, 2016.

**DATED** at the City of Vancouver, In the Province of British Columbia, this 28<sup>th</sup> day of October 2016.

BY ORDER

*Original signed by:*

D. M. Morton  
Commissioner