



ORDER NUMBER
G-192-16

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Stargas Utilities Ltd.
Application to Vary Delivery Rate, Amend Cost of Service Formula and
Approve Replacement Term Financing/Redemption of Preferred Shares

BEFORE:

R. I. Mason, Panel Chair/Commissioner
D. M. Morton, Commissioner

on December 16, 2016

ORDER

WHEREAS:

- A. On September 26, 2016, Stargas Utilities Ltd. (Stargas) filed an application with the British Columbia Utilities Commission (Commission) for, among other things, interim and permanent approval of a \$0.45 per gigajoule delivery rate decrease for all customers, effective November 1, 2016 (Application);
- B. The Application also requests approval to replace Stargas' existing term loan with a \$300,000 term loan at an interest rate of prime plus 1.25 percent (Replacement Financing). Proceeds from the Replacement Financing will be used to retire the existing term loan and redeem 1,000 Class G preferred shares having a par value of \$100,000;
- C. On October 6, 2016, Commission Order G-155-16 approved, on an interim and refundable basis, a delivery rate decrease of \$0.45 per gigajoule for all customers, effective November 1, 2016, and established a regulatory timetable for review of the Application, which provided for one round of information requests with further process to be determined;
- D. On October 13, 2016, Silver Star Property Owners Association (SSPOA) registered as an intervener in the proceeding;
- E. In a letter dated November 24, 2016, the Commission Panel requested that the applicant and registered interveners provide submissions by Wednesday, November 30, 2016, regarding their interest in attending a Streamlined Review Process (SRP), taking place on the afternoon of December 14, 2016;
- F. On November 25, 2016 and November 28, 2016 respectively, Stargas and SSPOA confirmed their attendance at the proposed December 14, 2016 SRP;
- G. By letter dated November 29, 2016, Stargas sought advanced approval from the Commission on matters relating to the proposed Replacement Financing;

- H. On December 1, 2016, Commission Order G-176-16 established an SRP with further process to be determined;
- I. The SRP was held in Vancouver on December 14, 2016 with Stargas and SSPOA participating; and
- J. The Commission considered the evidence and submissions from participants in the review of the Application, and finds approval of the replacement term financing and redemption of the preferred shares to be warranted as confirmed in the SRP hearing transcript "Streamlined Review Process December 14, 2016."

NOW THEREFORE pursuant to section 50 of the *Utilities Commission Act*, the British Columbia Utilities Commission orders as follows:

1. Stargas Utilities Ltd. is approved to replace its existing term loan with a \$300,000 term loan at an interest rate of prime plus 1.25 percent on the terms proposed.
2. Stargas Utilities Ltd. is approved to redeem 1,000 Class G preferred shares having a par value of \$100,000, in accordance with the terms and conditions associated with those shares.

DATED at the City of Vancouver, in the Province of British Columbia, this 16th day of December 2016.

BY ORDER

Original signed by:

R. I. Mason
Commissioner