



ORDER NUMBER
G-272-20

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

and

Stargas Utilities Ltd.
Delivery Rate and Regulatory Account Application
Effective November 1, 2020

BEFORE:

C. M. Brewer, Panel Chair
K. A. Keilty, Commissioner
B. A. Magnan, Commissioner

on October 28, 2020

ORDER

WHEREAS:

- A. On September 22, 2020, Stargas Utilities Ltd. (Stargas) submitted an application to the British Columbia Utilities Commission (BCUC) seeking interim and permanent approval to decrease its delivery rate from \$5.77 per gigajoule (GJ) to \$4.59 per GJ, effective November 1, 2020, among other requests (Application);
- B. On October 26, 2020, Stargas provided a redacted version of the Application for public release. Stargas requests that the redacted portions of the Application be filed on a confidential basis by the BCUC as the redacted information is of a commercial sensitive nature and Stargas does not have permission to disclose that information publicly;
- C. The BCUC has commenced review of the Application and determines that establishing an interim rate and regulatory timetable are warranted.

NOW THEREFORE for the reasons attached as Appendix A to this order, the BCUC orders as follows:

- 1. Pursuant to section 89 of the *Utilities Commission Act*, Stargas is directed to maintain its existing delivery rate of \$5.77 per GJ for all customers on an interim and refundable basis, effective November 1, 2020.
- 2. Any variance between the interim rates and permanent rates as determined at the time the BCUC renders its final decision on the Application will be refunded to or collected from ratepayers, with interest at the average prime rate of Stargas' principal bank for the most recent year.
- 3. A regulatory timetable for the review of the Application is established, as set out in Appendix C to this order.
- 4. Stargas is directed to file with the BCUC, within 10 business days of the issuance of this order, amended Tariff pages in accordance with the terms of this order.

5. Stargas is directed to supplement the Application with the additional information outlined in Appendix B to this order by no later than Tuesday, November 10, 2020.
6. Stargas is directed to publish the public notice, attached as Appendix D to this order, on its website and to also send a copy to all registered interveners in the 2017 Stargas Delivery Rate Application proceeding.
7. Stargas is directed to provide the public notice, attached as Appendix D to this order, to all affected customers, including mail inserts, and physically at the Silver Star Resort centres, as soon as reasonably possibly, but by no later than Tuesday, November 3, 2020.
8. In accordance with the [BCUC's Rules of Practice and Procedure](#), parties who wish to participate in the proceeding may submit a letter of comment, register as an interested party, or request intervener status. Parties requesting intervener status must register with the BCUC by completing a [Request to Intervene Form](#) available on the BCUC's website by the date established in the regulatory timetable attached as Appendix C to this order. Parties requesting intervener status are to specifically state the nature of their interest in the Application and to generally identify the issues they intend to pursue and the extent of their anticipated involvement in the proceeding.
9. Stargas' request to keep the redacted portions of the Application confidential is accepted, until determined otherwise, since it contains commercially sensitive materials.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of October 2020.

BY ORDER

Original signed by:

C. M. Brewer
Commissioner

Attachment

Stargas Utilities Ltd.
Delivery Rate and Regulatory Account Application
Effective November 1, 2020

REASONS FOR DECISION

1.0 Background and Application

On September 22, 2020, Stargas Utilities Ltd. (Stargas) submitted an application to the British Columbia Utilities Commission (BCUC) seeking interim and permanent approval to decrease its delivery rate from \$5.77 per gigajoule (GJ) to \$4.59 per GJ, effective November 1, 2020, among other requests (Application).

Stargas prepared the Application based on the test year commencing November 1, 2020 and ending October 31, 2021.¹ The proposed revenue requirement is \$221,612 and the forecast GJ's delivered is 48,280 GJs.²

Recognizing that final approval of the proposed delivery rate may not be resolved prior to November 1, 2020, Stargas sought interim approval of the proposed rate, with its undertaking that it will refund incremental revenues if any, with interest, within sixty days of the BCUC's determination on the final delivery rate.³

2.0 BCUC Determination

The Panel finds that Stargas has not provided adequate evidence to support its requested delivery rate decrease. In these circumstances, the Panel finds that the most reasonable approach is to maintain the existing rate pending a detailed review of Stargas' revenue requirement. This approach will prevent ratepayers from experiencing multiple rate changes during the test year commencing November 1, 2020.

For the above reasons, **Stargas is directed to maintain its existing delivery rate of \$5.77 per GJ for all customers on an interim and refundable basis, effective November 1, 2020.**

Stargas is also directed to supplement the Application with the additional information outlined in Appendix B to this order by no later than Tuesday, November 10, 2020.

¹ Exhibit B-1, p. 1.

² Ibid., p. 2.

³ Ibid., p. 1.

Stargas Utilities Ltd.
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Effective November 1, 2020

SUPPLEMENTARY INFORMATION LIST

1. Please explain the drivers of the requested delivery rate decrease from the current approved delivery rate of \$5.77 per gigajoule (GJ) to \$4.59 per GJ. Please quantify the impact (i.e. \$ and %) of each driver.
2. Page 2 Application table: Please provide additional columns to the table showing the actual results for the last three years and the current approved revenue requirement (i.e. four additional columns). Please also provide this information with respect to the GJ's delivered. If applicable, please indicate where greater-than (or less-than) 12-months of information is provided due to the change in Stargas' fiscal year-end period.
3. Variance explanations: Please provide explanations for the following variances as it relates to each line item, including the GJ's delivered, in the expanded page 2 Application table provided above:
 - i. Variances between the current approved revenue requirement and the actual results for that year; and
 - ii. Variances between the actual results for the year and Stargas' previous year for each of the last three years.
4. On page 15 of the Application, Stargas states that it has changed its taxation fiscal year from May 31 to October 31 to coincide with its gas contracting and regulatory timetable. For clarity, please confirm the year the change was made and explain the impacts of the change to the review of this Application, if any.
5. Financial Schedules: Please provide a financial continuity schedule for each of the following items, showing the opening/closing balance, additions to/deductions from, and interest earned (if applicable), for each year from the current approved revenue requirement to October 31, 2021:
 - i. Regulatory accounts. Please provide each account as a separate line item, indicating either the BCUC Order number which approved the account or if it is an approval sought in this Application;
 - ii. Capital assets (before and after accumulated depreciation); and
 - iii. Shareholder loans.
6. Please provide a draft order for the Application.

Stargas Utilities Ltd.
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REGULATORY TIMETABLE

Action	Date (2020)
Stargas Notice of Application	Tuesday, November 3
Stargas to file Supplementary Information	Tuesday, November 10
Intervener Registration	Tuesday, November 17
BCUC and Intervener Information Request (IR) No. 1 to Stargas	Thursday, November 26
Stargas responses to BCUC and Intervener IR No. 1	Thursday, December 10
Further process	To be determined



We want to hear from you

STARGAS DELIVERY RATE AND REGULATORY ACCOUNT APPLICATION

On September 22, 2020, Stargas Utilities Ltd. (Stargas) submitted an application to the British Columbia Utilities Commission (BCUC) for approval of regulatory accounts and a decrease of the delivery rates from \$5.77 per GJ to \$4.59 per GJ for the year commencing November 1, 2020.

Any parties who wish to participate in the BCUC's regulatory review process are invited to register as interveners, interested parties or submit a letter of comment. All submissions will be considered by the Panel in its review of the Application. For more information about the Application, please visit the BCUC's website (www.bcuc.com). All documents filed on the public record are available on our [Current Proceedings](#) webpage.

HOW TO PARTICIPATE

- 💡 **Submit a letter of comment**
- 💡 **Register as an interested party**
- 💡 **Request intervener status**

IMPORTANT DATES

- 💡 **Tuesday, November 17, 2020** – Deadline to register as an intervener with the BCUC
- 💡 **Thursday, November 26, 2020** – Deadline for registered interveners to submit first round of information requests

For more information on getting involved, please visit our website (bcuc.com/get-involved/) or contact us at the information below.

GET MORE INFORMATION

Stargas Utilities Ltd.

- ✉ 1960 KLO Road, Unit 17
Kelowna, BC V1W 5L2
- 🌐 E: Info@Stargas.ca
- 📞 P: 250.763.6717

British Columbia Utilities Commission

- ✉ Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3
- 🌐 E: Commission.Secretary@bcuc.com
- 📞 P: 604.660.4700