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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-4-06

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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 of an Increase in Gas Cost Recovery Charges**

BEFORE: L.F. Kelsey, Commissioner
L.A. Boychuk, Commissioner January 19, 2006

O R D E R

WHEREAS:

- A. Commission Order No. G-118-05 approved rates effective January 1, 2005 for Stargas Utilities Ltd. ("Stargas") that included Gas Cost Recovery Charges of \$9.22/GJ for Residential customers and \$9.44/GJ for Commercial customers; and
- B. On December 16, 2005, Stargas applied for Commission approval of a \$4.64/GJ increase to its Gas Cost Recovery Charges effective December 1, 2005, due to higher forecast gas prices and a projected debit balance in its Gas Cost Variance Account ("GCVA") at the end of November 2005; and
- C. On January 11, 2006, Stargas responded to a Commission Information Request and provided updated forecasts of gas cost and sales volume, a projected GCVA debit balance of \$34,626 at the end of 2005 and a calculation indicating a rate increase of \$2.92/GJ effective January 1, 2006; and
- D. A \$2.92/GJ rate increase would increase the annual bill of a typical Residential customer by \$350 (17.7 percent) and the annual bill of a typical Commercial customer by \$2,044 (17.5 percent); and
- E. The Commission determines that an increase is required in Stargas' Gas Cost Recovery Charges, but is not prepared to approve a rate increase that would be effective prior to the date of the Application for the rate

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change. Furthermore, the Commission determines that the rate increase should be based on Stargas' updated projections of gas costs and other matters.

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

1. The Commission approves for Stargas a \$2.92/GJ increase in its Gas Cost Recovery Charges to \$12.14/GJ for Residential customers and \$12.36/GJ for Commercial customers, effective January 1, 2006.
2. The Commission will accept revised tariff pages showing the new rates, subject to timely filing of the new tariff pages.
3. Stargas is to notify all customers of the increase in rates by way of a bill insert or bill message, included with the next billing.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of January 2006.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner