

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-131-06

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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 to Amend Natural Gas Rates

BEFORE: L.F. Kelsey, Commissioner
L.A. Zaozirny, Commissioner October 26, 2006

O R D E R

WHEREAS:

- A. The Commission, by Order No. C-4-00, approved a Certificate of Public Convenience and Necessity for Stargas Utilities Ltd. ("Stargas", "the Company") to operate a natural gas distribution system at the resort community of Silver Star; and
- B. On August 4, 2006, Stargas applied for the Commission approval to decrease residential rates by \$2.05 per gigajoule ("GJ") and commercial rates by \$2.06 per GJ effective November 1, 2006 ("the Application"). The decrease in residential and commercial rates are the result of lower commodity costs and higher delivery charges; and
- C. As a result of decreases in the cost of natural gas and a credit balance in the Gas Cost Variance Account of \$10,184 at May 31, 2006, the Application requests Commission approval to decrease the residential commodity charge by \$2.54/GJ and the commercial commodity charge by \$2.55/GJ; and
- D. Due to increases in operating and maintenance expenses, the Application also requests Commission approval to increase the residential and the commercial delivery charge by \$0.49; and
- E. The Commission, by Order No. G-101-06, established a written hearing process to review the Application; and
- F. On August 17, 2006, the Commission issued Commission Information Request No. 1 ("IR No. 1") to Stargas with a deadline of September 8, 2006, and Stargas responded to IR No. 1 on August 27, 2006; and
- G. The Commission issued Commission Information Request No. 2 ("IR No. 2") to Stargas on October 23, 2006, with a deadline of October 30, 2006; and
- H. The Commission has reviewed the Application and considers that interim rates are warranted.

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NOW THEREFORE pursuant to Section 89 of the Utilities Commission Act, the Commission orders as follows:

1. The Commission approves for Stargas the following interim refundable rates as shown in Schedule X of the Application, effective November 1, 2006.

	<u>Residential</u>	<u>Commercial</u>
Rate per GJ – proposed	\$ 17.35	\$ 17.56
Rate per GJ – current	\$ 19.40	\$ 19.62

2. The difference, if any, between the F2007 interim rates and permanent rates that are determined by the Commission, following full consideration of the Application, will be subject to refund with interest calculated for the refund period at the average prime rate of the principal bank with which Stargas conducts its business.
3. Stargas is to inform all customers of the interim rate decrease by way of a customer notice, to be reviewed by the Commission in advance of its release.

DATED at the City of Vancouver, in the Province of British Columbia, this 27th day of October 2006.

BY ORDER

Original signed by

L. F. Kelsey
Commissioner