

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-159-08**

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- G. On October 3, 2008 DEML on behalf of Stargas provided further information which indicates that the fixed price in the Transaction Confirmation is made up of the forward price of gas at Sumas as of September 5, 2008, plus a significant DEML "Margin" or profit; and
- H. By correspondence dated October 23, 2008, Stargas withdrew its application for a change to its commodity rates effective November 1, 2008, on the basis that the additional gas costs starting November 1, 2008 would accumulate in its Gas Cost Variance Account for recovery from ratepayers in subsequent years; and
- I. By correspondence dated October 24, 2008, Stargas provided information regarding billings for gas deliveries while the Transaction Confirmation is under review by the Commission; and
- J. The Commission has considered the matter and has determined that a written public hearing should be established to review the Transaction Confirmation.

NOW THEREFORE the Commission orders as follows:

- 1. Pursuant to Section 71 of the Utilities Commission Act (the "UCA"), the Commission establishes a written public hearing to review whether the Transaction Confirmation is in the public interest.
- 2. The Regulatory Timetable for the hearing is attached as Appendix A to this Order.
- 3. Stargas will publish the Notice of Application and Written Public Hearing that is Appendix B to this Order in a local Vernon newspaper as soon as possible and in any case by Wednesday, November 12, 2008 and will advise the Commission when it has been published.
- 4. Stargas will provide each of its customers with a copy of this Order by Wednesday, November 12, 2008 and will advise the Commission when this has been completed.

DATED at the City of Vancouver, in the Province of British Columbia, this 30th day of October 2008.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner

Attachments

An Application by Stargas Utilities Ltd.
for Acceptance of a Transaction Confirmation
under its Natural Gas Supply and Management Services Agreement
with Direct Energy Marketing Limited

REGULATORY TIMETABLE

ACTION	DATE (2008)
Publication of Notice	Wednesday, November 12
Registration of Intervenors and Interested Parties with the Commission	Wednesday, November 19
Information Requests to Stargas	Friday, November 21
Stargas Responses to Information Requests	Monday, December 1
Stargas Written Final Submission	Friday, December 7
Intervenors Written Final Submissions	Wednesday, December 12
Stargas Reply Submission	Monday, December 17

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NOTICE OF APPLICATION AND WRITTEN PUBLIC HEARING

THE APPLICATION

On August 31, 2008, Stargas Utilities Ltd. applied for Commission approval of a \$0.71/GJ increase in the commodity component of its natural gas rates effective November 1, 2008. On September 23, 2008, Stargas also applied for Commission acceptance of a Natural Gas Transaction Confirmation pursuant to its Natural Gas Supply and Management Services Agreement, which would establish a fixed price for most of Stargas' gas purchases over the period November 2008 through October 2009.

On October 23, 2008, Stargas withdrew its request for a rate change, on the basis that the additional gas costs starting November 1, 2008 under the Transaction Confirmation would accumulate in its Gas Cost Variance Account for recovery from ratepayers in subsequent years.

THE REGULATORY PROCESS

By Order G-159-08, the Commission established a written public hearing to review whether the Transaction Confirmation is in the public interest. The Regulatory Timetable for the hearing is appended to the Order.

INTERVENTION

Persons who expect to actively participate in the Stargas proceeding should register as Intervenors with the Commission, and should identify the issues that they intend to pursue and the nature and extent of their anticipated involvement in the review process. Intervenors will each receive a copy of the Application and all correspondence and filed documentation, and should provide an e-mail address, if available.

Persons not expecting to actively participate, but who have an interest in the proceeding, should register as Interested Parties. Interested Parties will receive all Orders and Decisions issued.

Intervenors and Interested Parties should register in writing, no later than Wednesday, November 19, 2008. Notification by mail, fax or e-mail is acceptable.

All submissions and/or correspondence received from active participants or the general public relating to the Application will be placed on the public record and posted to the Commission's web site.

PUBLIC INSPECTION OF THE DOCUMENTS

The Application and supporting materials will be available for inspection at the following locations:

British Columbia Utilities Commission

Sixth Floor, 900 Howe Street
Vancouver, BC V6Z 2N3

Stargas Utilities Ltd.

2287 Selkirk Drive
Kelowna, BC V1V 2N6

Internet www.bcuc.com

For further information, please contact Ms. Erica Hamilton, Commission Secretary, or Mr. Brian Williston, Director, Engineering and Energy Markets, as follows:

Telephone: (604) 660-4700
Facsimile: (604) 660-1102

BC Toll Free: 1-800-663-1385
E-mail: Commission.Secretary@bcuc.com