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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-180-15**

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**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**Stargas Utilities Ltd.
Application to Alter the Commodity Component of Rates**

BEFORE: L. F. Kelsey, Commissioner
C. A. Brown, Commissioner November 19, 2015
H. G. Harowitz, Commissioner
K. A. Keilty, Commissioner
D. M. Morton, Commissioner

O R D E R

WHEREAS:

- A. On September 14, 2015, Stargas Utilities Ltd. (Stargas) submitted an application to the British Columbia Utilities Commission (Commission) for approval to change the commodity component of rates effective November 1, 2015, by decreasing the commodity rate component by \$3.92 per gigajoule (GJ) from \$7.69 per GJ to \$3.67 per GJ (Original Application). The Original Application also includes Stargas' annual contracting plan (ACP) for the contract year commencing November 1, 2015;
- B. On November 11, 2015, Stargas filed an update to the Original Application (Updated Application) incorporating market price forecasts as of that date and requesting a revised commodity rate decrease of \$4.74 per GJ to \$2.95 per GJ to incorporate the more recent price forecasts;
- C. In the Updated Application Stargas reports the Gas Cost Variance Account imbalance as of May 31, 2015, the end of the last fiscal year, is a surplus of \$33,919 and \$0.88 per GJ of the requested commodity rate decrease is required for refund of the surplus outstanding at the start of the current fiscal year. The remainder of the rate decrease reflects gas purchase costs at the forward prices forecast as of the date of the Updated Application;
- D. Natural gas rates for Stargas were last changed effective November 1, 2014, when the Commission approved an increase in the commodity component of rates from \$5.84 to \$7.69 per GJ via Order G-170-14 dated November 6, 2014;

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- E. The Commission's Rules for Natural Gas Energy Supply Contracts that are Appendix A to Order G-130-06 require public utilities to submit and obtain Commission acceptance of annual gas contracting plans prior to entering into significant gas supply arrangements for each gas contract year;
- F. Stargas requests that the confidential components of the Original Application and the Updated Application be kept confidential as they contain commercially sensitive information; and
- G. The Commission considered the Original Application as revised by the Updated Application and finds the proposed commodity rate change to be warranted and in the public interest.

NOW THEREFORE pursuant to section 61(4) of the *Utilities Commission Act* and the British Columbia Utilities Commission's Rules for Natural Gas Energy Supply Contracts:

1. The Commission accepts Stargas Utilities Ltd.'s (Stargas) annual contracting plan for the contract year from November 1, 2015 to October 31, 2016.
2. The Commission approves a decrease in the gas commodity component of rates charged to Stargas customers from \$7.69 to \$2.95 per gigajoule effective November 1, 2015.
3. The Commission will hold confidential the confidential component of the Original Application filed on September 14, 2015 and the confidential component of the Updated Application filed on November 11, 2015, as this information is commercially sensitive and its disclosure could impede Stargas' ability to obtain favorable gas supply terms for its customers in the future.
4. Stargas is to include an explanation of the commodity component rate change in its next monthly billing to customers.
5. Stargas is directed to file a report with the Commission by October 1, 2016 on the Gas Cost Variance Account balances, a description of contracting plans for the contract year commencing November 1, 2016, updated forecast natural gas costs and, if necessary, proposed changes to commodity rates to be effective November 1, 2016.

DATED at the City of Vancouver, in the Province of British Columbia, this 20th day of November 2015.

BY ORDER

Original signed by:

D. M. Morton
Commissioner