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February 28, 2017

Via E-Filing

British Columbia Utilities Commission
6th Floor – 900 Howe Street
Vancouver, BC V6Z 2V3

Attention: Erica Hamilton, Commission Secretary

Dear Ms. Hamilton:

**Re: Stargas Utilities Ltd. Delivery Rate Application
Project No. 3698893
SSPOA Letter dated February 23, 2017**

Stargas Utilities Ltd. (“Stargas”) has reviewed the letter of the SSPOA. The paragraphs 25 and 71 referenced by the SSPOA are not new evidence but are proper reply submissions made in response to the SSPOA Final Argument. Stargas submits that it is the SSPOA that has acted improperly in filing its February 23, 2017 letter, which must be disregarded entirely by the Commission. The SSPOA’s February 23, 2017 letter is yet another example of how the conduct of the SSPOA in these proceedings has unnecessarily escalated costs.

The SSPOA does not get a right of reply to the Stargas Reply Argument. The SSPOA have attempted to construe Stargas Reply Argument as presenting new evidence to achieve an improper, out-of-process reply, which conduct should not be condoned by the Commission.

Paragraph 25 referenced by the SSPOA is not new evidence. It is a submission made in response to the SSPOA’s argument that the prior approved hourly rates charged by OKF, which have only been escalated by inflation, should not be approved. As stated at paragraphs 23-24 of Stargas Reply Argument, in response to the SSPOA’s submission in its Argument that the Commission should “regularly review” the OKF rates, Stargas submitted that utilizing prior approved rates adjusted for inflation is appropriate, light-handed regulation. At paragraph 25, Stargas merely submitted that if the Commission so directs, it will undertake an updated market survey. It is not proposing to submit “new evidence” in this proceeding and has certainly not submitted new evidence in argument. Stargas’ submission is an entirely appropriate response to the SSPOA Argument. Making such a reply submission is not new “evidence” - as it contains no new data or facts not on the record. As such, the SSPOA’s concerns regarding procedural fairness and the introduction of “new evidence” are unfounded and must be disregarded.

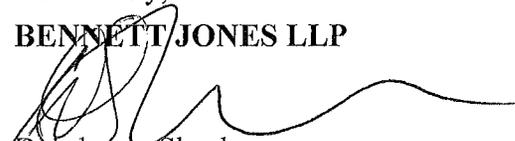
Similarly, paragraph 71 of the Stargas Reply Argument, is not new evidence either. Stargas referenced the filing of its commodity rate application with the Commission in response to the SSPOA's continued reference to irrelevant commodity rate matters in this proceeding. As stated at paragraph 70 of its Reply Argument, Stargas maintains that the setting of commodity rates is not relevant to this proceeding. In paragraph 71, Stargas was not introducing "new" evidence upon which the Commission should rely in this proceeding, but was again re-iterating that there is a separate process and proceeding in which to consider commodity rates.

Stargas is concerned that the SSPOA is improperly seeking to use this proceeding to seek standing and procedural directions from the Commission in Stargas' separate commodity rate process. The requests made by SSPOA in this regard are wholly inappropriate and are unrelated to the subject-matter of this proceeding and must be dismissed. The Commission should not entertain these out-of-process submissions by the SSPOA and should process Stargas' current commodity rate application in accordance with its established procedure.

Should you have any questions, please do not hesitate to contact the undersigned.

Yours truly,

BENNETT JONES LLP



Dendre A. Sheehan

Enclosure

cc: Interested Parties (via *E-Filing*)