SPOA Silver Star Property Owners Association.

November 17, 2020

VIA E-FILING

Acting Commission Secretary
Marija Tresoglavic
BC Utilities Commission
6th Floor 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Ms. Tresoglavic,

Re: Stargas Utilities Ltd. - Delivery Rate and Regulatory Account Application - Test Year November 1, 2020 to October 31, 2021 Project No. 1599141

Silver Star Property Owners Association (SSPOA) Information Request No. 1

Attached please find the SSPOA's Information Requests No.1 with respect to the above-noted Application. The SSPOA has 566 members which, in most cases are also Stargas Ratepayers.

Our Information Request has been prepared by the Utility Services Committee of the SSPOA and has been reviewed by and approved by the Associations Board of Directors.

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

Sincerely,

Mike Waberski, President, Silver Star Property Owners Association

REQUESTOR NAME:	**Silver Star Property Owners Association**
INFORMATION REQUEST	**ROUND NO: #1**
TO:	**Stargas Utilities Ltd.**
DATE:	**November 17, 2020**
APPLICANT NAME:	**Stargas Utilities Ltd. - Delivery Rate and Regulatory Account Application - Test Year November 1, 2020 to October 31, 2021 Project No. 1599141**

1.0 Topic: Proposed Delivery Rate Changes

Reference - (B-1) Page 2 The following table shows the comparison to the panels determination for BCUC order G-59-17 which established the delivery rate commencing November 1 2016 and the proposed 2020 delivery rate shown on page 2.

1.1 Can Stargas confirm that we have correctly shown the comparisons?

Comparison to Table 15 – Approved Revenue Requirement In 2017

Description	Panel determination 2017 Effective Nov1, 2016	2020 Request
Operations and maintenance		
Technical Services	$60,766*	$71,893
Administration	$59,735*	$54,000
	$ 120,501	$125,899
Administration		
Professional services	6,200	7,225
Insurance	13,130	9,000
Office and sundries	15,028	20,659
Office Lease		6,240
Management fees CMI	46,757	66,743
Total operating costs	**201,616**	**235,760**
Amortization expense	54,804	23,250
Catch-up dividend in arrears	6,794	6,794
Sundry revenue	(4,102)	(6,480)
Basic charges (recovery)	(62,990)	(75,915)
Net, meter and lines (recovery)	(170)	
Income tax	9,300	3,251
Total cost of service	**205,252**	**186,660**

Earned return		
Return on debt	11,567	12,997
Return on equity	20,306	21,956
Total revenue requirement	**$237,125**	**$221,612**

*****values $60,765 from page 1 of Exhibit (B2); $59,735 determined by subtracting from the G-59-17 total of $120,501 (See Topic 6)

2.0 Topic: Income Tax

Reference – (B-1) Page 2 Delivery Rate Tabulation

2.1 A substantial reduction in Income tax is shown from $9,300 in 2017 to $3,251 in the test year. Please explain and how long has Stargas received the reduction?

Reference – (B-1) Page 5 Stargas states: **"***In its twelve months ended May 31st, 2020 Stargas neither prepared an annual report to the Commission nor filed a commodity rate application while sharply curtailing other than essential administrative services."*

2.2 Can Stargas confirm that it is not required to file an annual report to the commission?

2.3 If an annual report was required to be filed, can Stargas confirm that the annual report would contain the Stargas financial statements for the BCUC to review?

3.0 Topic: Increased Administration overhead in favour of CMI

Reference - (B-1) Pages 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14

3.1 The increase in administration costs to CMI sought in this application would seem to have the impact of seeking to rescind order G-59-17. Can Stargas please explain what has led them to the conclusion that G-59-17 is no longer operative?

4.0 Topic: Insurance Costs

Reference - (B-1) Page 3 Stargas states**: "…….***at an annual cost estimated at $9,000 (<u>actual cost of the six month renewal to October 31st, 2020 was $ 8,822</u> and for the fiscal year ending May 31, 2020 -$11,818)."* (emphasis added)

4.1 Insurance costs as estimated at $9,000 annually, whereas the most recent premium paid was $8,822 for a 6-month renewal. Can Stargas please explain?

5.0 Topic: Office Lease; Office and Sundries

Reference - (B-1) Page 3 Stargas gas proposed that it is entitled to recover an equitable compensation for the offices maintained in each of Stargas management homes. Stargas has also increased its forecast for "Office and Sundry" from $15,028 to $20,659.

In the response filed by Stargas to the SSPOA's IR #1 for the proceeding held in 2017 (BCUC 5-59-17) regarding office and sundry expenses, Stargas stated:

"Contribution to Office overheads: We include a $400 monthly amount as recompense for costs incurred in operating Stargas administration and accounting within our homes – we do not charge paper, postage, computer toner, nor others of an offices expendables to Stargas nor do we allocate portions of our phone bills, (we do reimburse our administrator for his cell phone), utilities, etc. Note that Stargas doesn't own desks, computers, and those items that would in other circumstances be a cost borne by and an expense to ratepayers. There can be no doubt that were we to create and fund a dedicated Stargas office, capital costs would be involved and its operating expenditures significantly greater than those incurred in the existing arrangement. Our estimate for this caption - $4,800 plus $800 additionally for administrator cell phone." [1]

5.1 Stargas is requesting a separate line item for office lease in the amount of $6240 and yet the "office and sundry" has increased by $5631. Considering that $400 per month was included in the expense of 2017,in fact ,the line item "Office and Sundry" has increased by an additional $4800 to $10,431. Can Stargas please provide the details on the Office and Sundry expense that quantifies the substantial increase?

6.0 Topic: Operations and Maintenance and Contract Renewal for Technical Services by Fortis BC Energy Inc. (formerly FAES)

Reference - (B-1) Page 4 and 5 Addressing the delay in negotiating new Services Contract Stargas appears to have renewed or extended the existing contract for technical services with Fortis to continue to provide the technical and administration services that Stargas has no capacity to provide.

On July 22, 2019 Mr. Moe Blumes and his wife Carol attended the SSPOA Board meeting to provide an update on its position regarding the expected BCUC proceeding on its delivery rate. At that meeting Mr. Blumes explained how the 10-year contract that it had had would expire at the end of November 2019 and that Stargas was in discussions with 2 alternate providers with an expectation of a substantial reduction in costs. Mr. Blumes described the existing contact as a poor deal made 10 years ago. Stargas had requested an extension for their BCUC submission of the 2019 rate review because of seeking a new technical service provider.

6.1 Noting the redacted sections on page 4 and 5, can Stargas explain why that, with notice served in December of 2018 for the termination of the contract, we are now almost 2 years later resolving the rates that were to be reviewed per the BCUC Panel's direction in G-59-17 that "*Stargas to submit an application for a revised delivery rate by July 31, 2019".*[2]

Reference - (B-2) Page 1 in the Supplementary Information (requested by the BCUC) Stargas offers an explanation of the drivers of the delivery rate request, they state:

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[1] *PDF Page 2 exhibit B-5 BCUC G-59-17*
https://www.bcuc.com/Documents/Proceedings/2016/DOC_48244_B-5_Stargas_SSPOA-IR-1-ClarificationResp.pdf

[2] Order G-59-17 reasons for decision Page 25
https://www.bcuc.com/Documents/Proceedings/2017/DOC_49133_G-59-17_Stargas-Vary-Delivery-Rate-Reasons.pdf

"The movement from a cost in the panel decision of $60,766 to that forecast in the test year of $71,893 is largely a consequence of volume increases."

6.2 The increase in operations and maintenance in the table shown in Topic 1 amounts to ($125,899 - $120,501) $5398, can Stargas confirm the comparisons shown for the 2017 Fortis Administration at $59,735 and Technical Services at $60,766?

Reference - (B-2) Page 1 Stargas states: *"Stargas sought, and the respective Fortis affiliates accepted a monthly charge of $4,500"*

The submission provided in 2017 by Stargas explained the existing 10-year contract terms as:

> *"The contract provided for an initial variable monthly charge of $1.62 per GJ and an annual fixed charge of $48,000 payable monthly plus $15 per month for customers added after October 1st, 2009. The fixed charge is subject to an annual inflation adjustment based on changes in the Consumer Price Index – British Columbia and has increased to $4,187 from the $4,000 amount stipulated in the original contract. The variable charge is subject to both adjustments based on changes in CPI and to an annual adjustment based on fiscal year deliveries contrasted against those in the base year. The current variable charge is $1.51 per GJ."* [3]

6.3 From the information quoted above it appears as the administration provided by Fortis has increased from $4,187 to $4,500, however the table in Topic 1 indicates a monthly charge was $4,978. Can Stargas confirm that it negotiated a reduction from $4,978 to $4,500?

6.4 With the exception of the $4500 monthly charge for administration, can Stargas confirm that the terms of the contract with Fortis are the same, and that the increases are only due to increased volumes?

6.5 Can Stargas please confirm term of the contract extension.

6.6 The $125,809 part of our Delivery Rate calculation that is supplied by Fortis amounts to 57% of the Delivery Rate. Please provide details regarding the transparency and BCUC oversight on this part of our Delivery Rate calculation.

6.7 Reference - (B-1) Page 30 – 32 The diary of time spent on the preparation of the Regulatory application shows no activity until the beginning of March on addressing the end or the service termination notice given in December of 2018. Can Stargas explain the delay in addressing the issue?

6.8 Reference - (B-1) Page 29,30,31 and 32 Stargas is seeking a rate rider in the amount of $38,458 under the banner of cost for a "2020 Delivery/Regulatory Account Application". Can Stargas explain how management costs related to contract negotiations with a service provider are to be considered as a cost to a delivery rate application?

7.0 Topic: Introduction of Two New Administration Categories.

Reference - (B-1) Page 11and 12 Stargas is Introducing Two New Rate Categories i) Executive - Regulatory/Gas Contracting ii) Annual Retainer

[3] Exhibit (B-1) Order G-59-17 Page11 https://www.bcuc.com/Documents/Proceedings/2016/DOC_47694_B-1_Stargas_Delivery-Rate-Application.pdf

7.1 Given the nature of the Stargas business, can Stargas explain what the difference is between what the existing executive charge out function is and what this new Regulatory/Contracting category is?

7.2 Can Stargas explain the statement of page 12 "*While hours/rates per hour distinct measures, Stargas submits narrowing the time allowed in the category fairly offset by the requested rate increase".*

7.3 The cost of these two new categories has been included in the application but no details of ratepayer benefits. Can Stargas please explain what benefits will accrue to rate payers through this additional expense and where in the financials their contributions will be recognized?

8.0 Topic: Other Inclusions - Stargas Revenue Requirements - Safety Initiative

Reference – (B-1) Page 15 Amortization and Approval of the Safety Initiative

8.1 Can Stargas please explain what the stimulus was for commencing the "safety initiative"?

8.2 What, if any, correspondence was entered into with the BCUC to seek approval for the financial treatment of this expenditure?

9.0 Topic: Interest Rates on Bank and Shareholder Debt.

Reference - (B-1) Page 17 Tabulation of Company Debt.

9.1 Can Stargas please explain the 100 bps disparity between the interest rate charged by a commercial bank and that paid on a shareholder's loan?

10.0 Topic: Detailed Changes in Capital Accounts - Cost of New Billing Software

Reference – (B-1) Page 23 Development costs of new Billing Software

10.1 Can Stargas please explain why it was thought necessary to invest in a new billing system, given its continuing reliance on the extended Fortis contract for all other services?

10.2 Can Stargas explain what will be the financial impact of this investment should a new contract for services be established where billing software is an intrinsic part of the new contractor's service offering?

10.3 Given that the software may not be used, is it appropriate to amortize the expense before the software is activated?

11.0 Topic: Amortization

Reference - (B-1) Page 1 and Exhibit (B-2) Page 2

Stargas indicates that the new amortization added to the test year rate base from the following Capital expenditures:

- additions to the utility's distribution grid (resulting from its capitalizing installation costs as authorized in BCUC Order G-164-17), over 5 years
- the utility's safety initiative, over ten years
- over five year, its investment in billing software
- Remediation over 5 years

11.1 Please provide a table showing the individual capital expenditures and their amortization amounts that make up the amortization total of $23,250

Reference - (B-2) Page 2

On May 31, 2019 Stargas completed its 20-year amortization of its contribution to FortisBC to subsidize a gas pipeline to Stargas' service site (an annual inclusion of $22,216) and.

completed its 10-year amortization of each of deferred property and equipment amortization and deferred interest charges (an annual amortization of $16,511)

These amortization expirations were the reason that the BCUC cited in its Order G-59-17 when it stated:

> *"Stargas, from June 1st, 2019 forward will record sharply reduced amortization in its accounts. Accordingly, Stargas expects to file an application to amend its delivery rate together with a refinancing application, to establish rates effective from June 1, 2019"* [4]

11.2 Please explain how the accrued savings not passed onto the rate payers for this 17-month period of delayed application from June1, 2019 to October 31, 2020 has been accounted for in this application?

12.0 Topic: Approved 2017 Regulatory Account to Amend Rate Schedule and Accounting for Installation Costs

Reference - (B-1) Pages 19 and 20 Order G-164-17 was delivered on November 9, 2017.

12.1 Can Stargas explain why there were no installations listed for the calendar year 2018?

12.2 Can Stargas explain why there are 2 installations that paid $5,767 and $850 directly to Stargas?

12.3 Can Stargas explain why the installation at 9935 Cathedral which cost $2150 did not have a surcharge like those in Question 12.2

12.4 Can Stargas provide the directions given in Order G-164-17 to limit the installation costs at $1,700?

12.5 Pages 20 and 21 show a summary of installation costs of $32,315 in 2019 and $26, 400 in 2020. Stargas estimates $22,000 in 2021. Can Stargas provide the total amount proposed to be amortized in this proceeding?

[4] Appendix A to Order G-59-17, Page 25 https://www.bcuc.com/Documents/Proceedings/2017/DOC_49133_G-59-17_Stargas-Vary-Delivery-Rate-Reasons.pdf

13.0 Topic: Approved 2018 Regulatory Account to Cover Incident Shortfall

13.1 Can Stargas explain why the ratepayer is expected to pay what the insurance company has deemed as deniable costs?

13.2 What oversight role of the costs incurred by Fortis Alternate Energy Services (FAES) did Stargas have?

Reference: (B-1) Page 26 The referenced page states: Stargas, was by BCUC Order G-159-18, allowed to establish a Regulatory Account to cover an Incident Shortfall and to accrue interest at its weighted average cost of capital on costs incurred; the Order deferred the review and approval of the costs incurred and the method of the recovery mechanism to a future Application. (emphasis added).

The current application states "***Stargas seeks recovery from Ratepayers of $16,687.30***"

The application associated with BCUC Order G-159-18 from August 6, 2018 stated

> *"Stargas seeks approval to establish a 2018 Regulatory Account to Cover Incident* ***Shortfall in the amount of $22,079*** *(consisting of direct costs of$14,922 and indirect costs estimated on May 23n1, 2018 to aggregate $7,157 - the latter amount to be adjusted to actual in setting the related rate-rider). Based on Stargas' current estimate of deliveries in its fiscal year ending May 31, 2019 of 46,647 gigajoules (that estimate to be reviewed in setting the determinative rate-rider), assuming recovery over thirty-six months would be 17.481 cents per gigajoule (example B. I). Stargas expects to record interest on the account at its weighted average cost of capital and to settle the account over approximately thirty-six months or until its balance zero".*
>
> (emphasis added)

13.3 Please explain the reason for the Stargas lower claim $16,687.30 versus the $22,079 sought in August 2019, noting that the only reduction shown, reducing M.A. Blumes time from $5,157 by $757 to $4,400 ?

13.4 Does Stargas still expect to recover the rate rider over 36 months?

Reference - (B-1) Attachments Page 3

13.5 Why was the Executive time spent by Stargas not included in the Fortis summary which we assume was presented to the insurer of Belcaen Consolidated Contracting?

13.6 Given the nature of the costs incurred by Stargas for this incident, can Stargas confirm what analysis/industry benchmarking it has undertaken to confirm that the cost per customer relight of $253 is reasonable? This is based on the total cost of $74,477.84 divided amongst the 294 customers.

13.7 Did Stargas have a seat at the table in the discussions with the insurer, the referenced email from Mr. Doug Slater seems to indicate that Stargas was not party to the negotiations?

We have a ratepayer who was contacted via phone by Mr. Blumes well after the incident asking why they have not relit their appliances, when in fact FAES did relight it the day of the incident. Mr. Blumes based his assumption, asking why no gas usage had been recorded, to which the ratepayer informed him that there was no one in the suite hence no gas consumption.

Attachment F2ii (PDF Page 48) of Exhibit (B1) indicates it was necessary to undertake a survey on the on/off status on September 1, 2017. Both of these actions indicate inadequate records kept by FAES and Stargas

13.8 What if any records were made by FAES and provided to Stargas on the shutdown / relight progress that was undertaken by Fortis?

Reference - (B-1) Page 27 paragraph (d.) FAES charges Stargas $71,893 per year (current test year) for technical services. The Stargas response to the BCUC question regarding the obligations of that contract, Stargas quotes:

> *"The cost for the TES initial emergency response and ensuring site safety will be included in the Distribution O&M Charge."*

Reference - (B-1) Attachment 8 (PDF Page 50) The incident report states:

> "*refer also to 30933150 for receivable costs for work on Stargas system (restoration of their system, including regasification, **shutdown** and relite)"*
>
> (emphasis added)

13.9 Is the shutdown of the Silver Star distribution not considered a safety issue and covered by the standing O&M contract and yet these costs seem to be included in the claim? Can Stargas please confirm.

13.10 Can Stargas provide the amount that Fortis received from the insurer to fix the damaged line?

Reference - (B-1) Page 29 and (B-2) Page 5 Stargas shows in its claim hours related to liaison with the SSPOA on Page 29

> *"8-May-18 Letter to SSPOA outlining considerations re shortfall 2.5*
>
> *10-May-18 First draft of application on shortfall - SSPOA correspondence 2.5*
>
> *23-May-18 Redraft application anticipating negative SSPOA response 2.75*
>
> *24-May-18 Receipt of SSPOA response - initial draft of response 2.5"*

Stargas also states on page 5 of exhibit (B-2):

> *"Stargas curtailed the majority of the executive time otherwise given to interface with the Resort community, marketing and like activities as it could no longer justify the investment when allowed management fees fully absorbed in maintaining its ongoing operations on an as required basis."*

The allocated time for resort interfacing was approved at 16 hours per year per Order G-59-17.

13.11 Please explain why the Stargas time approved for Interfacing with the resort can be dismissed and why the time associated with Stargas forwarding their claim at the expense of the ratepayer would not be considered as resort interfacing?

14.0 Topic: Approval Sought for Additional Regulatory Account to Recover Application Costs

Reference - (B-1) Page 29

14.1 Can Stargas confirm that they have reviewed application costs with the BCUC and that they are consistent with the benchmark established by other gas utilities of a similar size and complexity?

14.2. **Reference - (B-1) Page 32** shows $6,876 as expenses against "Technical Services/ BCUC Staff updates" which has a last entry of August 11, 2019.

Many of the entries on pages 30 and 31 (which total $25,841.03) seem to relate to negotiations and technical services for the period May through to September. The summary of the period September 9 through to September 22 totals $5,741.44 which appears to be the actual application costs.

From the 2017 Order G-59-17:

> *"the management effort for regulatory costs should be bourne by ratepayers and accepts $13,853 as an appropriate figure for Stargas' internal time for the preparation of this Application and participation in the proceeding."* [5]

14.3 Can Stargas please explain how costs from 2017 ordered at $13,853 for what the panel described as *"a more complex proceeding than might be expected"* [6] can be justified at $38,458 in 2020?

15.0 Topic: Approvals Sought for Additional Regulatory Accounts to Recover Interest Deficit.

Reference - (B-1) Page 33 and 34 - Regulatory Account to Recover Interest Deficit for period June 1st, 2017 to October 31st, 2020.

15.1 The narrative is particularly difficult to follow, but can Stargas explain why the establishment of this Regulatory Account would not be tantamount to retrospective rate making?

15.2 Can Stargas explain how they reached the following conclusion - *"Stargas noted that the comparison is flawed"* what was flawed and why?

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[5]Order G-59-17 reasons for decision Page 15
https://www.bcuc.com/Documents/Proceedings/2017/DOC_49133_G-59-17_Stargas-Vary-Delivery-Rate-Reasons.pdf

[6]Order G-59-17 reasons for decision Page 15
https://www.bcuc.com/Documents/Proceedings/2017/DOC_49133_G-59-17_Stargas-Vary-Delivery-Rate-Reasons.pdf

15.3 With regard to the interest costs for May 31, 2017 fiscal year, the shortfall mentioned is $5,779 while the deficit in the following table on page 34 shows $3,736. The difference is $2,043 or the interest on regulatory/excluded/ratepayer late adjustments. Can Stargas explain how this number is recorded in its application?

15.4 Can Stargas explain what is included in their "excluded costs" line in the same table on Page 34?

Reference (B-1) Note1 on page 34 states: *"Operating interest provided by Stargas' lender to a ceiling of $150,000 at its prime rate plus 1/4% and, as less expensive than shareholder advances (bank rate plus 1%), are utilized to the extent possible"*

The Balance Sheet for the test year on page 39 shows the operating line at no less than $138,721 with 10 months at levels greater than$148,000.

15.5 The application states that shareholder loans are used to bridge the utility's highly seasonal cash flows. From the information provided, shareholder loans are the most expensive mode of borrowing and the bank operating line would usually be considered the more appropriate way to fund sessional swings. This could indicate that Stargas is undercapitalized to support its business, has Stargas considered the need for a further capital injection to reduce reliance on shareholder loans?

15.6 The application refers to "bank plus" and "prime plus", both base rates are likely to be different. Can Stargas confirm what the actual interest rates are as depicted in the last table of page 17 of their application.

15.7 Can Stargas provide a term sheet for the shareholder loan?

16.0 Topic: Approvals Sought for Additional Regulatory Accounts to recover Undistributed Returns on Equity.

Reference - (B-1) Page 35 - Regulatory Account to recover, by inclusion in the utility's revenue requirement, allowed but undistributed returns on Equity in the period from June 1, 2017 to October 31st, 2020

16.1 Can Stargas explain how this request is different from that denied by the BCUC in G-59-17 and why it should not be viewed as retrospective rate making?

17.0 Topic: Sale of Stargas

Reference - (B-1) Page1 Stargas informed the SSPOA in July 2019 that delays in the expected Delivery Rate Review was granted so Stargas could replace the longstanding contract with Fortis Alternate Energy Services. The introduction states

> *"but in contemplation of its sale of regulatory assets and operations requested and received Commission approval <u>on three occasions</u> to extend its filing date to, ultimately, September 30th, 2020"*
>
> *(emphasis added)*

Reference - (B-1) Page30 Stargas also states:

> *"Note also, that CMI Holdings (1998) Inc. (Stargas' parent corporation) has absorbed all of the time related to Stargas' preparation of materials relevant to its contemplated sale of its regulatory assets and operations, time awarded to the negotiation and documentation of that transaction so that the utility's management costs are solely those related to its ongoing operations under its current ownership."*

17.1 Can Stargas confirm that the delays were due to negotiations for a new Operations and Maintenance Contractor or as stated, for purposes of a sale of the assets?

17.2 What does Stargas assess the impact to be on the Delivery Rate established by this proceeding if the assets are sold?

18.0 Topic: Summary Table Requests

Reference - (B-2) Page 6 The BCUC requested Stargas provide a "draft order" with Stargas responding:

> *"6. Draft Order: Stargas seeks Commission staff assistance in the development of a "draft order" as unfamiliar with what is called for under this caption?"*

The SSPOA received a request from Stargas on October 28th

> *"The Commission has provided the attached notices (now covering both that for the commodity and delivery) and has asked Stargas to do all possible to ensure its notices receive the widest possible distribution amongst ratepayers. If and to the extent practical might I ask that you forward the attached to all possible recipients – Stargas will be emailing copies to those ratepayers where we've those available; however, we do not have email addresses for all of our customers.*
>
> *Regards,*
>
> *Moe"*

The SSPOA requested a summary of the requests by Stargas via email on the same day in order that the SSPOA notice could properly express the application's consequences to the membership:

> *"Moe*
>
> *Don't you think you should include your new rate requests in your notice?*
>
> *I am also trying to digest your rate rider requests, (my first read). Maybe you can provide me the elevator speech version (or summary table showing total amount of each rate rider and amount per GJ) to save me time and avoid any misinterpretation of your requests*
>
> *Regards*
>
> *Mike"*

The SSPOA emailed the notice as shown in Appendix A to 426 recipients on the evening of November 2, prepared without the requested summary information.

18.1 Is the request from the Commission to provide a "draft order" reflective of the same issue as the request by the SSPOA for a summary table of the rate riders, can Stargas please provide a clear and concise version of the Stargas rate demands.?

18.2 Will Stargas be providing a "draft order"?

18.3 How many customer emails does Stargas have on file?

18.4 How many customers receive their monthly invoices by mail?

18.5 Does Stargas mail the invoices or is that part of the Fortis contract?

18.6 Can Stargas provide an explanation why there was not a notice received with the last Stargas invoice regarding the BCUC proceedings?

19.0 Topic: Gas Volume Increases

Reference - (B-2) Page 4 In the explanation of Variances provided to the BCUC Stargas explained the difference from the projected gas Volumes for the test year 2017 and the actual volume:

> *"The requested/approved revenue requirement contemplated delivery of 41,093.6 gj's; the Resort having experienced an unusually cold winter, consumed 47,163.7 gj's when in the year previous deliveries were 39,738.6 gj's"*

19.1 Can Stargas please confirm the 47,163.7 GJ Volume was for the calendar year 2017?

The present application that Stargas has before the BCUC regarding Commodity Rates shows the following in the table Appendix C-1[7] in Exhibit B-1-1-1

Year End May 2018 45,415.7 GJ

Year End May 2019 45,847.4 GJ

Year End May 2020 47,826.3 GJ

June to the end of October 2020 9050.5 GJ

[7] Stargas Natural Gas Purchase Plan and Updated Application to Vary Commodity Rate Page 3 https://www.bcuc.com/Documents/Proceedings/2020/DOC_59640_B-1-1-1-Stargas-response-to-G-271-20-Appendix-C.pdf

The submission (B-1) for the Delivery Rate that Stargas Files for G-59-17, has a table titled the "Forecast - Test Year Ending May 31, 2017" [8] which showed gas volumes for the period June to the end of October for the test year as:

	June	July	August	September	October
Gigajoules delivered	1,500.0	1,348.7	1,047.7	1,484.5	2,232.7

Total 7,461.7 GJ projected for the test year June to October of 2017

It would appear as the Stargas revenues over the test year estimate would be:

Fiscal 2018 45,415.7 – 41,093.6 = 4,322.1 x $5.77 = **$24,938.52**

Fiscal 2019 45,847.4 – 41,093.6 = 4,753.8 x $5.77 = **$27,429.43**

Fiscal 2020 47,826.3 – 41,093.6 = 6,732.7 x $5.77 = **$38,847.68**

5 months ending October 31, 2020 9,050.5 - 7,461.7 = 1,588.8 x $5.77 = **$9,167.38**

$100,383

19.2 Please confirm that the revenues that exceeded the 2017 test year's volume estimate, totaling $100,383 are as shown?

[8] Exhibit (B-1) BCUC Order G-59-17, PDF Page 10
https://www.bcuc.com/Documents/Proceedings/2016/DOC_47694_B-1_Stargas_Delivery-Rate-Application.pdf

APPENDIX A

SPOA Silver Star Property Owners Association.

Stargas Utilities seeks BCUC approval to amend its Delivery and Commodity Rates

Stargas Utilities has made application to the BCUC to amend both its Delivery Rate (the cost to operate and deliver gas to the ratepayers) and the Commodity Rate (the cost of the Natural Gas). As we have successfully done in the past, the SSPOA will be registering as intervenors for both the proceedings described below:

The BCUC Proceeding on the Commodity Rate will be held first, with Stargas seeking an increase from $3.98 / Gigajoule (GJ) to $7.48 / GJ. Details can be found on the BCUC website:

https://www.bcuc.com/ApplicationView.aspx?ApplicationId=815

Important dates are:

Thursday, November 12, 2020 – Deadline to register as an intervenor with the BCUC

Thursday, November 26, 2020 – Deadline for registered intervenors to submit first round of information requests

The BCUC Proceeding on the Delivery Rate and proposed Rate Riders can be found on the BCUC website at:

https://www.bcuc.com/ApplicationView.aspx?ApplicationId=814.

Stargas is seeking a reduction from the current $5.77/GJ to $4.59/GJ in the Delivery Rate and a host of Rate Riders that seem to make the reduction moot.

Important dates are:

Tuesday, November 17, 2020 – Deadline to register as an intervenor with the BCUC

Thursday, November 26, 2020– Deadline for registered intervenors to submit first round of information request

Stargas will be sending the ratepayers an official notice of the applications and as mentioned above, the SSPOA has registered as Intervenors for both proceedings **to represent the ratepayers interest.** The SSPOA website will be posting the Notices and will be providing updates on the submissions to the BCUC from the SSPOA.

The Utility Services Committee

Silver Star Property Owners Association