



SSPOA Silver Star Property Owners Association.

January 12, 2021

VIA Email: commission.secretary@bcuc.com

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

Dear Ms. Tresoglavic,

Re: Stargas Utilities Ltd. – Procedure Clarification for Project No. 1599142 and Project No. 1599141

The SSPOA is requesting clarification on the process for the above noted proceedings now that it has been disclosed that Fortis BC is purchasing Stargas. We note that the purchase is subject to approval by the BCUC sometime in early 2021 with the effective date is proposed to be April 1, 2021.

Whilst there is always the possibility that the sale may not be approved or that in some way the party's agreement fails, it would seem reasonable to view the present proceeding through the lens of the sale being approved. With that assumption the matters before the Panel regarding the delivery rate would be moot as we understand that on April 1 the Silver Star rate payers would be integrated into the Fortis rate structure.

The SSPOA is supportive of (as we presently understand it) the purchase of Stargas by Fortis BC.

Our assertion is that all the IR questions and supporting documents regarding the delivery rate are rendered irrelevant due to the sale and that the focus should be in reconciling the various rate riders which we are assuming (and look to the BCUC to confirm) they would continue to apply to the Silver Star ratepayers post purchase. We would suggest that even the reconciliation of the GCVA deficit might be best handled as part of what we are referring to as the "transition rate rider" which would encompass all riders (including the balance of the existing outstanding rate rider) into one rider amortized over an appropriate period of time.

In the interim we would propose accepting the Stargas delivery rate of \$4.59 / GJ for as a delivery rate until April 1, 2021. While the proposed delivery rate included items that, in normal circumstances, the SSPOA would have opposed; it is of concern that the efforts (and expense) of addressing them by the BCUC and Stargas is not economically realistic for a term of November 1, 2020 to March 31, 2021. We note that the SSPOA will have no expenses in these proceedings.

It should be noted that the Delivery Rate presently in place for Fortis BC in the greater Vernon area is \$4.596 / GJ, the rate (barring changes) we understand the ratepayers will see in April.

To illustrate the economics of this proposal for an interim rate for 5 months:

- If a \$0.10 reduction in the delivery rate was ordered that would reflect a \$5000 reduction in the annual revenue requirement.
- Using the 32,117GJ that was used from November 2019 to March 2020 inclusive to project the usage until March 31, 2021, the resulting a reduction is only \$3,211.
- The proceeding costs would far outstrip the savings over the short period we are addressing.

We also seek the panels guidance on how to handle the interim Commodity Rate for the same 5 months noting that the application itself is a year overdue and a new rate will be in effect in less than 3 months.

The Stargas submissions on what exactly they are seeking for rate riders and what is considered retroactive rate making is difficult for us to follow and considering our proposal, would look to the Panel to confirm (or define) that the focus of final arguments (as we understand it) would include the following:

- Delivery Rate: - Incident shortfall
- Stargas Application costs
- Reconciliation for rate change benefits to the ratepayer had the application been filed when originally scheduled for July 2019
- Balance of the existing 2017 installation application regulatory account

Commodity Rate – GCVA deficit as of March 31, 2021

This offer of accepting the proposed interim \$4.59/ GJ delivery rate would need the caveat that in the event the sale did not complete that the proceedings would be resumed to establish a permanent rate.

The SSPOA is seeking procedural guidance to these suggestions. If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,



Mike Waberski, President, Silver Star Property Owners Association

COPY: SSPOA Utility Services Committee