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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-19-04

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

and

**An Application by Terasen Gas Inc.
for Approval of 2004 Core Market Administration Expense**

BEFORE: L.A. Boychuk, Commissioner)
L.F. Kelsey, Commissioner) February 19, 2004

O R D E R

WHEREAS:

- A. The Commission's February 4, 2003 BC Gas Utility Ltd. 2003 Revenue Requirement Decision approved a net Core Market Administration Expense of \$1.6 million for 2003. The gross Core Market Administration expense for 2003 was forecast at \$1.7 million, to be offset by \$100,000 for gas management services provided to Centra Gas (British Columbia) Inc. [now Terasen Gas (Vancouver Island) Inc.]; and
- B. In response to the December 5, 2003 Gas Cost Flow-through Application from Terasen Gas Inc. ("Terasen Gas"), Commission Order No. G-82-03 accepted a Core Market Administration Expense of \$1,584,000 for the purpose of forecasting gas costs for 2004, and stated that the Commission will determine the approved Core Market Administration Expense for 2004 based on further filings; and
- C. On December 8, 2003, Terasen Gas requested Commission approval of a gross Core Market Administration Expense of \$1.831 million for 2004 and an Energy Management Services sharing incentive; and
- D. On January 21, 2004, Terasen Gas requested approval to withdraw the December 8, 2003 application and stated that it will submit the matter for review at the 2004 Annual Review; and
- E. Terasen Gas verbally confirmed that it requests that the net Core Market Administration Expense continue at \$1.6 million per year for 2004; and

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F. The Commission considers that a Core Market Administration Expense should be established for 2004.

NOW THEREFORE pursuant to Section 60 of the Utilities Commission Act, the Commission approves a net Core Market Administration Expense of \$1.6 million for 2004 for Terasen Gas.

Terasen Gas is directed to file an application with respect to the Core Market Administration Expense for 2005 for consideration in the 2004 Annual Review.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of February 2004.

BY ORDER

Original signed by:

Lori Ann Boychuk
Commissioner