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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-27-04

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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 (Squamish) Inc.  
for Approval to Recover 2003 Restructuring Costs**

**BEFORE:** L.A. Boychuk, Commissioner )  
L.F. Kelsey, Commissioner ) March 18, 2004

**O R D E R**

**WHEREAS:**

- A. On February 12, 2004, Terasen Gas (Squamish) Inc. ["Terasen Gas (Squamish)"] applied to the Commission for approval to recover 2003 restructuring costs as a \$23,000 charge to operating, maintenance and administrative expenses ("OMA") and to defer \$42,000 in a rate base deferral account for inclusion in 2004 OMA ("the Application"). The restructuring is to result in expected annual savings to Terasen Gas (Squamish) of approximately \$55,000; and
- B. Pursuant to Section 3.0 of the Squamish Rate Stabilization Agreement between the Province and Terasen Gas (Squamish) ("the Squamish RSA"), the Commission reviews the actual results of Terasen Gas (Squamish). An April 1997 Settlement Agreement was reached between the Ministry of Employment and Investment ("the Ministry") and Terasen Gas (Squamish) that established methods of determining cost of service components ("the Settlement Agreement").
- C. On February 26, 2004, Terasen Gas (Squamish) amended its Application in accordance with the Settlement Agreement to record the 2004 deferred costs of \$42,000 as an amortization expense subject to the Ministry reserving the right for a prudency review; and
- D. The Commission has reviewed the Terasen Gas (Squamish) application and finds that approval is warranted.

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**NOW THEREFORE** pursuant to the Squamish RSA and the Settlement Agreement, the Commission approves for Terasen Gas Squamish the amended Application, subject to the Ministry reserving the right for a prudency review of the 2004 deferred costs.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 22<sup>nd</sup> day of March 2004.

BY ORDER

*Original signed by:*

Lori A. Boychuk  
Commissioner