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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-85-04

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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.  
regarding Propane Commodity Charges  
effective October 1, 2004  
for the Revelstoke Service Area**

**BEFORE:** L.F. Kelsey, Commissioner  
K.L. Hall, Commissioner September 16, 2004

**O R D E R**

**WHEREAS:**

- A. Commission Order No. G-59-04 established a propane reference price for the Revelstoke Propane Cost Deferral Account of \$0.2600 per litre and a \$0.973 per gigajoule rate increase for Revelstoke propane customers, effective July 1, 2004; and
- B. On September 8, 2004, Terasen Gas Inc. ("Terasen Gas") filed the 2004 Third Quarter Report on the status of the Revelstoke Propane Cost Deferral Account, which forecasts that propane commodity revenue at current rates will be 92.5 percent of costs over the next 12 months; and
- C. To recover the forecast increase in propane costs and a projected before-tax \$55,909 debit balance in the Revelstoke Propane Cost Deferral Account at September 30, 2004, Terasen Gas requested an increase in the propane reference prices from \$0.2600 per litre to \$0.2810 per litre and a corresponding increase of \$0.844 per gigajoule in Revelstoke customer rates, effective October 1, 2004; and
- D. The requested rate change would increase the annual bill of a typical residential customer in Revelstoke by approximately 5.5 percent; and

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- E. The projected cost of propane is based on an average price at Edmonton for the October 2004 to September 2005 period of \$252 per cubic meter. This forecast can be compared to the corresponding forecast of \$230 per cubic meter that Terasen Gas submitted on September 8, 2004 for propane supply to Revelstoke, and which appears to show greater consistency with current spot and forward propane prices; and
- F. The Commission concludes that the requested changes to Revelstoke propane rates should be approved.

**NOW THEREFORE** pursuant to Section 61(4) of the Utilities Commission Act, the Commission orders as follows:

1. The Commission approves for Terasen Gas an increase to the propane reference price for the Revelstoke Propane Cost Deferral Account to \$0.2810 per litre and an increase in rates for Revelstoke propane customers of \$0.844 per gigajoule, effective October 1, 2004.
2. Terasen Gas is to file with the Commission amended Gas Tariff Rate Schedules in accordance with this Order and to notify all customers that are affected by this rate change in a timely fashion.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 23<sup>rd</sup> day of September 2004.

BY ORDER

*Original signed by:*

L.F. Kelsey  
Commissioner