

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-62-04

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

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

and

**An Application by Terasen Gas (Whistler) Inc.
for Approval of a Propane Cost Increase to Rider A
effective July 1, 2004**

BEFORE: K.L. Hall, Commissioner)
L.F. Kelsey, Commissioner) June 24, 2004

O R D E R

WHEREAS:

- A. Commission Order No. G-14-04 approved a Settlement Agreement for the 2004 and 2005 Revenue Requirements of Terasen Gas (Whistler) Inc. ("Terasen Whistler"); and
- B. The Settlement Agreement included a Propane Commodity Charge of \$14.225 per gigajoule for 2004, which included a Commodity Cost of Propane of \$10.00 per gigajoule. The Propane Commodity Charge and Commodity Cost of Propane in the Settlement Agreement for 2005 are \$13.855 and \$9.801 per gigajoule, respectively; and
- C. The Settlement Agreement also included a Rider A of \$0.376 per gigajoule to recover in 2004 the projected debit balance at the end of 2003 in the Gas Cost Variance Account ("GCVA") of \$178,800 after tax. The actual after tax GCVA debit balance at the end of 2003 was \$326,696, and the projected balance at the end of June 2004 is \$316,000; and
- D. The Settlement Agreement stated that Terasen Whistler will continue to review the cost of propane quarterly, and will file applications for changes to Rider A as needed; and
- E. On June 21, 2004, Terasen Whistler requested a Rider A increase of \$1.387 per gigajoule to \$1.763 per gigajoule effective July 1, 2004. The rate increase would increase the annual bill for a typical residential customer by approximately 8.9 percent; and
- F. The requested rate increase consists of \$1.118 per gigajoule due to higher forecast propane prices for the next 12 months, and \$0.269 per gigajoule due to the projection of the GCVA balance at the end of June 2004 which in part is based on the actual GCVA balance at the end of 2003 that was higher than the forecast balance that was used in the Settlement Agreement; and
- G. The Commission determines that the rate increase that is supported by higher forecast propane prices for the next 12 months should be approved, and that the rate increase due to the projected GCVA balance at the end of June of 2004 should be denied.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-62-04

2

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for Terasen Whistler a \$1.118 per gigajoule increase in Rider A to \$1.494 per gigajoule effective July 1, 2004.
2. Terasen Whistler is to file a permanent Gas Tariff Rate Schedule in accordance with this Order and to notify all affected customers of the rate increase in a timely fashion.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of June 2004.

BY ORDER

Original signed by:

Robert H. Hobbs
Chair