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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-104-05

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

and

Terasen Gas Inc. – 2005 Annual Review

BEFORE: L.F. Kelsey, Commissioner October 12, 2005
L.A. Boychuk, Commissioner

O R D E R

WHEREAS:

- A. On September 30, 2005 Terasen Gas Inc. ("Terasen Gas") proposed a regulatory timetable for its 2005 Annual Review that included a filing of Annual Review materials by October 17, 2005, an Annual Review on November 10 and a Commission Decision by December 9, 2005; and
- B. Commission Order No. G-51-03 approved for Terasen Gas, the Settlement Agreement for a 2004-2007 Multi-Year Performance-Based Rate Plan ("PBR"); and
- C. The terms of the Settlement Agreement for the 2004–2007 PBR for Terasen Gas included an expanded annual review to provide considerable information on its current and future year activities, along with statistics on its quality of service provided and its compliance with the code of conduct and transfer pricing policy. At each annual review, the Company will update its forecast of customer additions, use per account and industrial revenues. The impact on revenues resulting from the updated forecasts will be flowed through in delivery rates in the following year. The settlement also provides for the flow through of the impacts of changes approved by BCUC orders and exogenous factors; and
- D. Terasen Gas considers that the proposed changes in the regulatory timetable and the Annual Review process address the stakeholders' request for an improved process while adhering to the spirit and intent of Order No. G-51-03; and
- E. Terasen Gas stated that it discussed its proposed changes with several stakeholders including representatives from the B.C. Old Age Pensioners Organization et. al., the Ministry of Energy, Mines and Petroleum Resources, the Lower Mainland Large Volume Gas Users Association and the Inland Industrials. Terasen Gas stated that all stakeholders support the efforts to enhance the Annual Review and increasing the length of time; and
- F. The Commission has reviewed the Terasen Gas submission and considers that establishment of a regulatory timetable for the 2005 Annual Review is warranted.

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NOW THEREFORE the Commission orders as follows:

1. The Commission will hold an Annual Review of the Terasen Gas' 2006 Revenue Requirement material on Thursday, November 10, 2005 at a time and location to be established later.
2. No later than Monday, October 17, 2005, Terasen Gas is to provide interested parties and the Commission with advance information regarding the projections and forecasts to be presented at the Annual Review. Terasen Gas is also to provide by that date copies of the Preliminary 2006 Revenue Requirement material to all parties who participated in the 2004-2007 Negotiated Settlement process.
3. Those persons wishing to participate in the Terasen Gas Annual Review are to advise the Commission Secretary in writing of their intention to do so, no later than Friday, November 4, 2005.
4. The deadlines for information requests and responses on the Annual Review material are set out in the Regulatory Timetable attached as Appendix A to this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of October, 2005.

BY ORDER

Original signed by:

L.A. Boychuk
Commissioner

**Terasen Gas Inc.
2005 Annual Review**

REGULATORY TIMETABLE

<u>Action</u>	<u>Date 2005</u>
Terasen Gas Inc. ("Terasen Gas") files Annual Review Material	Monday, October 17
Information Requests issued to Terasen Gas	Wednesday, October 26
Participants to advise the Commission Secretary of their interest in attending the Annual Review	Friday, November 4
Terasen Gas' response to Information Requests	Monday, November 7
Terasen Gas Annual Review	Thursday, November 10
Intervenor Comments filed	Friday, November 25
Terasen Gas Reply Comments	Friday, December 2
Anticipated Commission Decision	Friday, December 9

Location and time of Annual Review:

To be determined