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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-94-04

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

and

**An Application by Terasen Multi-Utility Services Inc.
for Approval to Increase the Propane Gas Cost Recovery Charge
for Panorama Service Area**

BEFORE: L.F. Kelsey, Commissioner
K.L. Hall, Commissioner October 21, 2004

O R D E R

WHEREAS:

- A. On October 1, 2004, Terasen Multi-Utility Services Inc. ("TMUS") applied to the Commission to increase propane rates charged to customers located on its Panorama, B.C. grid system, effective October 1, 2004; and
- B. On October 14, 2004, TMUS filed a letter from its propane supplier MP Energy Partnership ("MP Energy") that sets out the terms of a supply arrangement that would fix the price of a portion of TMUS purchases in the period November 2004 through February 2005. The remainder of TMUS' propane supply for the period from October 1, 2004 through March 31, 2005 will be purchased at variable market prices (the "Propane Supply Contract"); and
- C. The proposed increase in the Gas Cost Recovery Charge from \$10.87/GJ to \$12.54/GJ is a result of higher forecast propane costs and a freight surcharge from MP Energy; and
- D. The Commission has reviewed the TMUS application and finds that approval is in the public interest.

NOW THEREFORE the Commission orders as follows:

- 1. The Commission approves for TMUS an increase in its propane Gas Cost Recovery Charge from \$10.87/GJ to \$12.59/GJ to all customers in its Panorama Service area effective October 1, 2004.

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2. TMUS is to advise all customers of the increased rates by way of a bill notice included with the next billing.
3. Pursuant to Section 71 of the Utilities Commission Act and the Rules for Energy Supply Contracts, the Commission accepts for filing the Propane Supply Contract between TMUS and MP Energy for the supply of propane to the TMUS propane grid system at Panorama for the period October 1, 2004 to March 31, 2005, subject to timely filing of the fully executed contract document.

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

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner