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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-29-05

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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 (Whistler) Inc.  
for Approval of a Propane Cost Increase to Rider A  
effective April 1, 2005**

**BEFORE:** L.F. Kelsey, Commissioner  
L.A. Boychuk, Commissioner March 17, 2005

**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 established a Propane Commodity Charge of \$13.855 per gigajoule for 2005, which includes a Commodity Cost of Propane of \$9.801 per gigajoule; and
- C. The Settlement Agreement also included a Rider A of \$0.376 per gigajoule effective January 1, 2004 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
- 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. Commission Order No. G-86-04 approved an increase in Rider A to \$2.330 per gigajoule effective October 1, 2004; and
- F. On March 7, 2005, Terasen Whistler requested a Rider A increase of \$1.405 per gigajoule to \$3.735 per gigajoule effective April 1, 2005. The proposed rate increase would increase the annual bill for a typical residential customer by approximately 8.2 percent; and
- G. The proposed rate increase consisted of \$0.741 per gigajoule due to higher forecast propane prices for the next 12 months, and \$0.664 per gigajoule due to the projected GCVA balance at the end of March 2005; and
- H. On March 16, 2005, Terasen Whistler filed a revised submission that included a more recent projection of the GCVA balance and a reassessment of the relationship between propane and crude oil forward prices (the "Revised Application"); and

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- E. In the Revised Application, Terasen Whistler requested a Rider A increase of \$1.103 per gigajoule to \$3.433 per gigajoule effective April 1, 2005. The rate change would increase the annual bill for a typical residential customer by approximately 6.4 percent; and
- F. The Commission concludes that the change to Terasen Whistler propane rates should be approved.

**NOW THEREFORE** the Commission orders as follows:

1. The Commission approves for Terasen Whistler a \$1.103 per gigajoule increase in Rider A to \$3.433 per gigajoule effective April 1, 2005.
2. Terasen Whistler is to file with the Commission 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 22<sup>nd</sup> day of March 2005.

BY ORDER

*Original signed by:*

L.A. Boychuk  
Commissioner