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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-30-05

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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 Inc.  
for a Propane Commodity Rate Increase  
for the Revelstoke Service Area**

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

**O R D E R**

**WHEREAS:**

- A. Commission Order No. G-85-04 approved a propane reference price for the Revelstoke Propane Cost Deferral Account of \$0.2810 per litre and a \$0.844 per gigajoule rate increase for Revelstoke propane customers, effective October 1, 2004; and
- B. On March 7, 2005, Terasen Gas Inc. ("Terasen Gas") filed its 2005 First Quarter Report on the status of the Revelstoke Propane Cost Deferral Account, which forecast that propane commodity revenue at current rates will be 88.1 percent of costs over the next 12 months; and
- C. To recover the forecast increase in propane costs and a projected before-tax \$312,789 debit balance in the Revelstoke Propane Cost Deferral Account at March 31, 2005, Terasen Gas requested an increase in the propane reference prices from \$0.2810 per litre to \$0.3190 per litre and a corresponding increase of \$1.543 per gigajoule in Revelstoke customer rates, effective April 1, 2005. The requested rate change would increase the annual bill of a typical residential customer in Revelstoke by approximately 9.5 percent; and
- D. On March 16, 2005, Terasen Gas filed a revised submission that included a more recent projection of the propane cost deferral account balance and a reassessment of the relationship between propane and crude oil forward prices (the "Revised Application"; and
- E. In the Revised Application, Terasen Gas requested an increase in the propane reference prices from \$0.2810 per litre to \$0.3063 per litre and a corresponding increase of \$1.028 per gigajoule in Revelstoke customer rates, effective April 1, 2005. The revised rate change would increase the annual bill of a typical residential customer in Revelstoke by approximately 6.4 percent; and
- F. The Commission concludes that the requested changes to Revelstoke propane rates should be approved.

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**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 \$0.3063 per litre and an increase in rates for Revelstoke propane customers of \$1.028 per gigajoule, effective April 1, 2005.
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 21<sup>st</sup> day of March 2005.

**BY ORDER**

*Original signed by:*

L.A. Boychuk  
Commissioner