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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-131-05

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

and

**Filings by Terasen Gas Inc.
regarding Natural Gas Commodity Charges effective January 1, 2006
for the Lower Mainland, Inland and Columbia Service Areas**

BEFORE: L.F. Kelsey, Commissioner December 8, 2005

O R D E R

WHEREAS:

- A. On December 5, 2005, pursuant to Commission Letter No. L-5-01, Terasen Gas Inc. ("Terasen Gas") filed a 2005 Fourth Quarter Report on Commodity Cost Reconciliation Account ("CCRA") and Midstream Cost Reconciliation Account ("MCRA") balances and gas commodity charges for the Lower Mainland, Inland and Columbia service areas, effective January 1, 2006 that was based on November 22, 2005 forward gas prices (the "2005 Fourth Quarter Report"); and
- B. The 2005 Fourth Quarter Report forecast that commodity cost recoveries at current rates would be 95.0 percent of costs for the following 12 months, and requested an increase in Commodity Cost Recovery Charges for natural gas customers in the Lower Mainland, Inland and Columbia service areas effective January 1, 2006; and
- C. The 2005 Fourth Quarter Report also requested changes to the Midstream Cost Recovery Charges to recover the forecast midstream costs for the following 12 months, and MCRA Credit Riders for 2005 to refund the forecast MCRA credit balance at the end of 2005 that is projected to be \$68.215 million before tax; and
- D. The 2005 Fourth Quarter Report also requested approval of the 2006 Net Core Market Administration Expense of \$2,347,311 which is an increase of \$50,529 or 2.2 percent from the net budget for 2005 of \$2,296,782; and

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- E. On December 7, 2005, Terasen Gas filed a revised allocation of the forecast MCRA credit balance and calculation of MCRA Credit Riders; and
- F. The combined impact of the requested changes to gas commodity charges would have the following impacts on the annual bills of a typical customer in the Lower Mainland:

<u>Customer Class</u>	<u>Change to Annual Bill</u>	
Residential	-\$18	(-1.2 %)
Small Commercial	-\$69	(-1.7 %)
Large Commercial	+\$16	(+0.0 %)
General Firm Sales	+\$2,506	(+1.9 %)

- G. The Commission concludes that the requested changes to Commodity Cost Recovery Charges, Midstream Cost Recovery Charges and the MCRA Credit Riders for natural gas customers in the Lower Mainland, Inland and Columbia service areas should be approved.

NOW THEREFORE pursuant to Section 61(4) of the Utilities Commission Act, the Commission orders as follows:

1. Commodity Cost Recovery Charges and Midstream Cost Recovery Charges for natural gas customers in the Lower Mainland, Inland and Columbia service areas will change effective January 1, 2006 to the amounts set out in the Terasen Gas 2005 Fourth Quarter Report that were determined using the November 22, 2005 forward gas prices.
2. The MCRA Credit Riders as set out in Terasen Gas' submission dated December 7, 2005, are approved for the period commencing January 1, 2006 and ending December 31, 2006.

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3. A 2006 Net Core Market Administration Expense of \$2,347,311 is approved and \$2,089,107 of this amount will apply for Terasen Gas.
4. Terasen Gas will notify all customers that are affected by these ranges changes in a timely fashion.

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

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner