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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-64-06

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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 Charges
effective July 1, 2006 for the Fort Nelson Service Area**

BEFORE: L.F. Kelsey, Commissioner June 8, 2006
L.A. Boychuk, Commissioner

O R D E R

WHEREAS:

- A. On June 6, 2006, Terasen Gas Inc. ("Terasen Gas") filed a 2006 Second Quarter Report ("Fort Nelson 2006 Second Quarter Report") on Fort Nelson Gas Cost Reconciliation Account ("GCRA") balances and gas commodity charges based on May 26, 2006 forward prices which indicated that gas commodity revenue will be 110.2 percent of gas cost over the following 12 months. The Fort Nelson GCRA is forecast to have an after-tax credit balance of \$416,600 at June 30, 2006; and
- B. In the Fort Nelson 2006 Second Quarter Report, Terasen Gas recommends that Fort Nelson sales rates decrease by \$0.70/GJ effective July 1, 2006. This will reduce the Residential Gas Cost Recovery Charge to \$6.868/GJ and reduce a typical residential annual bill by 7.83 percent; and
- C. The Commission concludes that the requested gas cost recovery reduction 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 Commodity Cost Recovery Charge for natural gas customers in the Fort Nelson Service Area will decrease by \$0.70/ GJ to \$6.868/GJ effective July 1, 2006, as requested in Terasen Gas' Fort Nelson 2006 Second Quarter Report.
2. Terasen Gas will notify all customers that are affected by the rate changes with a bill insert to be included with the next monthly gas billing.

DATED at the City of Vancouver, in the Province of British Columbia, this 9th day of June 2006.

BY ORDER

Original signed by

L.A. Boychuk
Commissioner