

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-72-06

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

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

and

**A Filing by Terasen Gas Inc.
regarding Propane Commodity Charges effective July 1, 2006
for the Revelstoke Service Area**

BEFORE: L.F. Kelsey, Commissioner June 19, 2006

O R D E R

WHEREAS:

- A. In the 2006 Second Quarter Report for Revelstoke, Terasen Gas used a propane price forecast based on the May 26, 2006 NYMEX crude oil forward price strip and recommended that the propane customer rate price be increased from \$0.3624 per litre to \$0.4039 per litre, effective July 1, 2006. The deferral account balance deficit of \$142,123 at June 30, 2006 would be eliminated with this proposed increase. The deferral account deficit balance adds \$0.0145 per litre to the proposed reference price of \$0.3894 per litre for a total of \$0.4039 per litre. This corresponds to a rate increase of \$1.684 per gigajoule and equates to a burner tip increase of 8.6 percent for residential customers; and
- B. In the 2006 Second Quarter Report for Revelstoke, Terasen Gas also identified the May 26, 2006 NYMEX propane forward price as a price forecast. In this case, the projected deferral account deficit of \$141,943 at June 30, 2006 is projected to be reduced to a surplus of \$177,332 at June 30, 2007. The rate change trigger mechanism is calculated to be 105.2 percent, which falls near the deadband range of 95 percent to 105 percent; and
- C. Considering the uncertainty in the propane price projections, the Commission is not persuaded that a change to customer propane rates for the Revelstoke grid system is necessary at this time.

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NOW THEREFORE pursuant to Section 61(4) of the Utilities Commission Act, the Commission denies Terasen Gas' request to increase the Revelstoke propane reference price and propane customer rates effective July 1, 2006, as set out in the 2006 Second Quarter Report for Revelstoke.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of June 2006.

BY ORDER

Original signed by

L.F. Kelsey
Commissioner