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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-87-06

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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 (Squamish) Inc.
for Approval to Amend Natural Gas Customer Rates**

BEFORE: L.F. Kelsey, Commissioner July 20, 2006

O R D E R

WHEREAS:

- A. On July 14, 2006, Terasen Gas (Squamish) Inc. ("Terasen Squamish") applied to the Commission for approval to amend its natural gas Small General Service ("SGS"), Large General Service ("LGS") customer rates, Competitive Range Rate ("CRR") and Apartment Customer Rates ("ACR-1"), effective August 1, 2006 ("the Application") under the terms of the Vancouver Island Natural Gas Pipeline Act; and
- B. Pursuant to Section 5.01(d) of the Squamish Rate Stabilization Agreement between the Province and Terasen Squamish ("the Squamish RSA"), the Terasen Squamish natural gas rates are set based on the competitive fuel price. Under the Squamish RSA, rates are set at the lesser of the Competitive Fuel Oil Price less a stated discount on Schedule "A" or 67 percent of the British Columbia Hydro and Power Authority ("BC Hydro") trailing block rate for residential service; and
- C. The Commission by Order No. G-71-06 approved an interim rate increase of 4.65 percent to the BC Hydro rates effective July 1, 2006; and
- D. Terasen Squamish in its 2003 First Quarter Gas Cost Report, dated March 7, 2003, indicated that specific fuel oil price survey data for the ACR-1 rate schedule was no longer available and Terasen Squamish proposed to use the LGS-2 competitive fuel oil price to adjust the ACR-1 competitive fuel oil prices. Subsequently, Terasen Squamish has noticed an inconsistency in the application of the methodology. Terasen Squamish in its Application provides a calculation to re-establish the competitive fuel oil prices for the ACR-1 rate class to appropriately match the May 30, 2006 survey data used in the Squamish 2006 Second Quarter Gas Cost Report and within the Application to determine the competitive fuel oil prices. The ACR-1 rate class does not have any customers and did not have any customers during the period of the inconsistency; and
- E. The Commission has reviewed the Application and finds that approval is warranted.

NOW THEREFORE the Commission orders as follows:

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1. The Commission approves for Terasen Squamish amendments to its rate schedules for SGS, LGS, CRR and ACR-1 customers effective August 1, 2006 as follows:

August 1, 2006			
	Current Rate (\$/GJ)	New Rate (\$/GJ)	Percent Change
SGS-1	11.26	11.78	4.62%
SGS-11	11.26	11.78	4.62%
SGS-2	11.26	11.78	4.62%
SGS-12	11.26	11.78	4.62%
LGS-1	11.26	11.78	4.62%
LGS-11	11.26	11.78	4.62%
LGS-2	11.26	11.78	4.62%
LGS-12	11.26	11.78	4.62%
LGS-3	11.26	11.78	4.62%
LGS-13	11.26	11.78	4.62%
CRR-Top	11.26	11.78	4.62%
CRR-Bottom	11.26	11.78	4.62%
ACR-1 (200 GJ)	11.26	11.78	4.62%
ACR-1 (600 GJ)	11.07	11.78	6.41%
ACR-1 (2,000 GJ)	11.07	11.78	6.41%
ACR-1 (6,000 GJ)	11.07	11.78	6.41%

2. Terasen Squamish is to inform all affected customers of the August 1, 2006 rate change by way of a customer notice included in the next billing.
3. The Commission determines that the calculation to re-establish the competitive fuel oil prices for the ACR-1 rate class is acceptable.

DATED at the City of Vancouver, in the Province of British Columbia, this 25th day of July 2006.

BY ORDER

Original signed by

L. F. Kelsey
Commissioner