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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-73-06

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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 (Whistler) Inc.  
for Approval of a Propane Cost Increase to Rider A  
effective July 1, 2006**

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

**O R D E R**

**WHEREAS:**

- A. Commission Order No. G-88-05 approved for Terasen Gas (Whistler) Inc. ("Terasen Whistler") an increase in Rider A to \$4.470 per gigajoule effective October 1, 2005; and
- B. On June 7, 2006 Terasen Whistler filed its 2006 Second Quarter Report, which projected a debit balance in the Propane Cost Deferral Account of \$821,884 at June 30, 2006 and, based on current rates and the May 26, 2006 NYMEX propane price forecast, this balance would decrease to \$571,769 by June 30, 2007; and
- C. In the 2006 Second Quarter Report, Terasen Whistler also showed a propane price forecast derived from the May 26, 2006 NYMEX light crude oil forward price that showed propane prices to be significantly higher than a forecast based on the May 26, 2006 NYMEX forward propane price; and
- D. In the 2006 Second Quarter Report, based on a propane price forecast derived from the May 26, 2006 NYMEX crude oil forward price, the deficit will rise over the next 12 months to \$1.562 million. Terasen Whistler requested an increase in Rider A of \$2.740 per gigajoule from \$4.470 per gigajoule to \$7.210 per gigajoule, effective July 1, 2006. The proposed rate change will eliminate this deficit over a 12 month period and will increase the annual bill for a typical residential customer by approximately 14.2 percent; and

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- E. On June 12, 2006, Terasen Whistler provided propane price forecast information based on the NYMEX crude oil forward price that would address only the elimination of the current Propane Cost Deferral account deficit of \$822,631 over a 12 month period. Rider A would increase from \$4.470 per gigajoule to \$5.526 per gigajoule or \$1.056 per gigajoule. This results in an increase of 5.5 percent to the annual bill of a typical residential customer; and
- F. Considering the uncertainty in the propane price forecast derived from 2006 NYMEX propane or crude oil forward strips and the size of the current deferral account deficit, the Commission is persuaded that a change to the propane rate for Terasen Whistler is necessary at this time.

**NOW THEREFORE** pursuant to section 61(4) of the Utilities Commission Act, the Commission orders that Rate Rider A will increase from \$4.470 per gigajoule to \$5.526 per gigajoule or \$1.056 per gigajoule effective July 1, 2006.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 26<sup>th</sup> day of June 2006.

BY ORDER

*Original signed by:*

L.F. Kelsey  
Commissioner