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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-168-06

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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 Decrease to Rider A  
effective January 1, 2007**

**BEFORE:** L.F. Kelsey, Commissioner December 15, 2006  
L.A. Zaozirny, Commissioner

**O R D E R**

**WHEREAS:**

- A. On December 4, 2006 Terasen Gas (Whistler) Inc. ("Terasen Whistler") filed its 2006 Fourth Quarter Report, based on the three sets of forward prices. One strip is based on the Nymex West Texas Intermediate ("WTI") light sweet crude oil futures, the second is based on the Nymex Mt. Belvieu propane futures, and the third is based 50 percent on the Nymex WTI light sweet crude oil futures and 50 percent on the Nymex Mt. Belvieu propane futures; and
- B. Based on the November 21, 2006 NYMEX WTI light crude oil prices and current rates the projected deferral balance at December 31, 2006 is a \$90,280 deficit and a forecast surplus at December 31, 2007 of \$1,368,999. Therefore, based on crude oil prices, a commodity rate decrease of \$1.761/GJ would result and Rate Rider A would decrease from \$7.219/GJ to \$5.458/GJ. This results in a burner tip decrease of 8 percent based on annual consumption of 90 GJ/year; and
- C. In the 2006 Fourth Quarter Report, based on a propane price forecast derived from the November 21, 2006 NYMEX Mt. Belvieu propane prices, a commodity rate decrease via Rate Rider A of \$3.690/GJ would be indicated. This results in an overall burner tip decrease of approximately 16.7 percent based on annual consumption of 90 GJ/year; and
- D. In the 2006 Fourth Quarter Report, based 50 percent on the November 21, 2006 forward Nymex WTI light sweet crude oil futures and 50 percent on the forward Nymex Mt. Belvieu propane prices, a commodity rate

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2

decrease via Rider A of \$2.725/GJ would be indicated. The impact of this rate change on the annual bill of a typical residential customer is a decrease of approximately \$245 or 12 percent, based on consumption of 90 GJ annually; and

- E. The Fourth Quarter Report indicates that all three scenarios are over recovering gas costs by December 31, 2007 and Terasen Whistler requests that Rate Rider A be decreased by \$1.761/GJ from \$7.219/GJ to \$5.458/GJ effective January 1, 2007 while the existing General Service Rate (SGS) of \$13.855/GJ remains unchanged; and
- F. Recognizing the uncertainty in the propane price forecasts derived from 2006 NYMEX propane or crude oil forward strips, the Commission is persuaded that a change to the propane rate for Terasen Whistler is necessary at this time but concludes that the change should be calculated using a propane price forecast that is based 50 percent on the November 21, 2006 forward Nymex WTI light sweet crude oil futures and 50 percent on the forward Nymex Mt. Belvieu propane prices.

**NOW THEREFORE** pursuant to section 61(4) of the Utilities Commission Act, the Commission approves a decrease in Rate Rider A of \$2.725/GJ from \$7.219/GJ to \$4.494/GJ effective January 1, 2007, while the existing General Service Rate will remain unchanged.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 15<sup>th</sup> day of December 2006.

**BY ORDER**

*Original signed by*

L.F. Kelsey  
Commissioner