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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-128-08

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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
2008 Third Quarter Gas Costs Report
and Rate Changes effective October 1, 2008
for the Fort Nelson Service Area

BEFORE: L.F. Kelsey, Commissioner
A.A. Rhodes, Commissioner September 11, 2008
P.E. Vivian, Commissioner

O R D E R

WHEREAS:

- A. By Order G-95-08 dated June 13, 2008, the Commission approved the Gas Cost Recovery Charge for the Fort Nelson Service Area; and
- B. On September 4, 2008, pursuant to Commission Letter L-5-01, Terasen Gas Inc. ("Terasen Gas" or "TGI") filed its 2008 Third Quarter Report on the Gas Cost Reconciliation Account ("GCRA") balance and gas commodity recovery charges for the Fort Nelson Service Area effective October 1, 2008, that were based on August 27, 2008 forward gas prices (the "2008 Third Quarter Report"); and
- C. The 2008 Third Quarter Report forecasts that gas commodity charges at current rates would be 120.5 percent of costs for the following 12 months; and has requested a decrease of \$1.726/GJ in gas commodity recovery charges for natural gas customers in Fort Nelson Service Area, effective October 1, 2008. This equates to a decrease to a residential customer's annual bill, based on an annual consumption of 160 GJ, by approximately \$276 or 14.5 percent; and
- D. On September 9, 2008, Terasen Gas filed a Revised 2008 Third Quarter Report on the GCRA balance and gas commodity recovery charges for the Fort Nelson Service Area effective October 1, 2008, that were based on September 5, 2008 forward prices (the "Revised 2008 Third Quarter Report"); and

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- E. The Revised 2008 Third Quarter Report requested a decrease of \$2.073/GJ in gas commodity recovery charges for natural gas customers in the Fort Nelson Service Area, effective October 1, 2008. This equates to a decrease to a residential customer's annual bill, based on an annual consumption of 160 GJ, by approximately \$332 or 17.5 percent; and
- F. The Commission concludes that the requested changes as outlined in the Revised 2008 Third Quarter Report should be approved.

NOW THEREFORE pursuant to Section 61(4) of the Utilities Commission Act, the Commission orders as follows:

1. The Commission approves a \$2.073/GJ decrease in the Gas Cost Recovery Charge for the Fort Nelson Service Area to \$8.078/GJ effective October 1, 2008, as set out in Terasen Gas' Revised 2008 Third Quarter Report for the Fort Nelson Service Area.
2. Terasen Gas will notify all customers that are affected by the rate changes with a bill insert or bill message to be included with the next monthly gas billing.

DATED at the City of Vancouver, In the Province of British Columbia, this 11th day of September 2008.

BY ORDER

Original signed by

L.F. Kelsey
Commissioner