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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-77-09

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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.  
Regarding Propane Commodity Charges effective July 1, 2009**

**BEFORE:** L.F. Kelsey, Commissioner  
P.E. Vivian, Commissioner June 18, 2009  
D.A. Cote, Commissioner

**O R D E R**

**WHEREAS:**

- A. By Order G-93-08 the British Columbia Utilities Commission (the "Commission") increased the propane commodity rates for Terasen Gas (Whistler) Inc. ("Terasen Whistler") effective July 1, 2008; and
- B. By Order G-169-08 the Commission approved the existing customer rates, inclusive of Rate Rider A, as interim and refundable effective January 1, 2009; and
- C. By Orders G-35-09 and G-52-09 the Commission established permanent rates for Terasen Whistler effective January 1, 2009 and directed Terasen Whistler to refund the difference between the 2009 interim rates inclusive of Rate Rider A and the permanent rates, with interest at the average prime rate of Terasen Whistler's principle bank; and
- D. On June 8, 2009, Terasen Whistler filed its 2009 Second Quarter Gas Cost Report; and
- E. Terasen Whistler provided three sets of forward prices for the forecast cost of propane. One forecast based on 50% NYMEX West Texas Intermediate ("WTI") light sweet crude oil futures and 50% NYMEX Mt. Belvieu propane futures, the second based on 100 percent on the NYMEX WTI light crude oil futures, and the third based on 100 percent NYMEX Mt. Belvieu propane futures. Terasen Whistler has also utilized Terasen Gas Inc.'s ("Terasen Gas") average cost of natural gas based on Terasen Gas' gas supply portfolio; and

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- F. Using the June 1, 2009 forward prices, a propane price forecast based on an average of 50% NYMEX WTI Light Sweet Crude Oil futures and 50% NYMEX Mt. Belvieu Propane futures and, for the natural gas price forecast an average cost of natural gas based on the Terasen Gas gas supply portfolio, and based on the existing Terasen Whistler rates, the projected pre-tax deferral balance at June 30, 2009 of \$795,126 surplus is forecast to change to a pre-tax surplus balance of \$3,621,977 at December 31, 2009; and
- G. Terasen Whistler recommended amortizing the projected deferral surplus balance at June 30, 2009 of \$796,126 over the remaining 6 months of 2009, as 2009 is a transition year for the Whistler service area to convert from a propane grid to natural gas; and
- H. Terasen Whistler requests a commodity rate decrease, via Rate Rider A, from \$0.824 per gigajoule to a credit amount of \$1.585 per gigajoule corresponding to a rate decrease of \$2.409 per gigajoule effective July 1, 2009. This equates to a decrease of approximately \$217 or 10.4 percent in the annual bill of a typical residential customer, based on consumption of 90 gigajoules annually; and
- I. The Commission has determined that the requested change to Rate Rider A for Terasen Whistler is necessary at this time.

**NOW THEREFORE** pursuant to section 61(4) of the *Utilities Commission Act*, the Commission approves a decrease of \$2.409 per gigajoule to a credit amount of \$1.585 per gigajoule in Rate Rider A for Whistler customers, effective July 1, 2009. Terasen Whistler will inform all customers affected by the rate change.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 18<sup>th</sup> day of June 2009.

BY ORDER

*Original signed by:*

L.F. Kelsey  
Commissioner