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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER E-27-10**

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**IN THE MATTER OF  
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

**and**

**A Filing by Terasen Gas Inc.  
Completion of Hedging for Winter 2010/11**

**BEFORE:** L.F. Kelsey, Commissioner  
D.A. Cote, Commissioner  
July 29, 2010

**ORDER**

**WHEREAS:**

- A. On May 13, 2010 Terasen Gas Inc. (TGI) filed its Price Risk Management Plan (PRMP) Application for the period November 2010 to October 2013 with the British Columbia Utilities Commission (the Commission); and
- B. The 2010 PRMP is based on objectives similar to those presented in the 2009 PRMP and it forms the basis of the Application. They are identified as follows:
  - Remain competitive with alternate fuel sources primarily electricity;
  - Moderate impacts of commodity price volatility on customer rates;
  - Reduce the risk of regional price disconnects; and
- C. On April 28, 2010 Bill 17, the Clean Energy Act received First Reading, and on June 3, 2010 the Clean Energy Act received Royal Assent. The Clean Energy Act prescribes significant additions to British Columbia's electricity generation and transmission infrastructure, which will impact the cost of electricity to British Columbians. The North American natural gas market supply and demand market fundamentals have changed significantly since 2008, such that there is greater domestic supply certainty; and
- D. On June 10, 2010, the Commission issued Information Request No. 1 to TGI requesting a response by June 25, 2010; and
- E. On July 8, 2010, the Commission issued Information Request No. 2 to TGI requesting a response by July 15, 2010; and

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- F. On July 22, 2010, the Commission issued Order E-23-10 denying the TGI 2010 PRMP Application having determined that a review of the PRMP's primary objectives in the context of the Clean Energy Act and increased domestic natural gas supply is warranted; and
- G. On July 28, 2010 TGI filed an Application (the Filing) to complete hedging for the winter 2010/11 (November 2010 through March 2011) natural gas volumes associated with the Commodity Cost Recovery Charge (CCRA) and the Midstream portfolio, as originally approved in the 2009-2012 Price Risk Management Plan per Letter L-33-09 dated May 21, 2009; and
- H. TGI has requested that the details of the Filing be kept confidential for the reasons of commercial sensitivity as noted in the Filing.

**NOW THEREFORE** pursuant to section 71 of the *Utilities Commission Act* and the Commission's Energy Supply Contract Rules, the Commission orders as follows:

1. The Application to complete hedging for the winter 2010/11 natural gas volumes, as described in the Filing is approved.
2. The Commission will keep the Filing confidential as requested by TGI.

**DATED** at the City of Vancouver, In the Province of British Columbia, this 29<sup>th</sup> day July 2010.

BY ORDER

*Original signed by:*

D.A. Cote  
Commissioner