

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-173-10**

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

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

and

**An Application by Terasen Gas Inc.
Fort Nelson Service Area
for Approval to Amend its Schedule of Rates**

BEFORE: L.F. Kelsey, Commissioner
D.A. Cote, Commissioner

November 25, 2010

O R D E R

WHEREAS:

- A. On September 8, 2010, Terasen Gas Inc. (TGI) Fort Nelson Service Area (Fort Nelson) submitted its 2011 Revenue Requirements Application seeking approval to recover a revenue deficiency of \$295 thousand through a permanent increase in its delivery rates, to decrease the Revenue Stabilization Adjustment Mechanism (RSAM) rate rider, effective January 1, 2011, from \$0.037/GJ by \$0.004/GJ for a total rate rider of \$0.033/GJ effective January 1, 2011;
- B. The Application also sought approval of a new rate base deferral account, 2011 Revenue Requirement Application (RRA) Costs Deferral;
- C. On September 30, 2010, the British Columbia Utilities Commission (Commission) issued Order G-149-10 establishing a Written Public Hearing Process and a Regulatory Timetable for review of the Application;
- D. On November 15, 2010, by Letter L-92-10, the Commission issued an amended Regulatory Timetable to include an Evidentiary Update;
- E. On November 19, 2010, TGI Fort Nelson filed with the Commission an Evidentiary Update and, based on the Evidentiary Update, requested approval of interim rates to recover a revenue deficiency of \$315,000;
- F. The Commission has reviewed the Evidentiary Update and has concluded that the interim rates should be approved.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-173-10

2

NOW THEREFORE pursuant to section 89 of the *Utilities Commission Act*, the Commission orders as follows:

1. The Commission approves, on an interim basis, TGI Fort Nelson to recover a revenue deficiency of \$315,000 through an interim increase in its delivery rates, effective January 1, 2011, resulting in a margin increase of 21.74 percent, a decrease in the RSAM rate rider from \$0.037/GJ to \$0.033/GJ and revised rates as set out in the Evidentiary Update, Table 3. Any differences between the 2011 interim and permanent delivery rates that are determined by the Commission following final disposition of the Application are subject to refund/recovery with interest at the average prime rate of TGI's principal bank, as soon as practicable, in the manner as set out by a Commission Order that establishes permanent rates.
2. The Commission approves the creation of the 2011 RRA Costs Deferral account to be included in rate base effective January 1, 2011.
3. TGI Fort Nelson is to provide notice of the interim rates to customers via a bill message, to be reviewed in advance by Commission Staff to confirm compliance with this Order.
4. TGI is to file amended interim Gas Tariff Rate Schedules for the Fort Nelson Service Area in accordance with this Order in a timely manner.

DATED at the City of Vancouver, in the Province of British Columbia, this 26th day of November 2010.

BY ORDER

Original signed by:

D.A. Cote
Commissioner