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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-110-04

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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 Inc.
for Approval of Commercial Commodity Unbundling Deferral Cost Recovery and
Stable Commodity Rate Residential Service Deferral Cost Recovery**

BEFORE: L.F. Kelsey, Commissioner
K.L. Hall, Commissioner

December 9, 2004

O R D E R

WHEREAS:

- A. On December 7, 2004 Terasen Gas Inc. ("Terasen Gas") filed with the Commission for approval of the recovery of costs associated with the Commercial Commodity Deferral Account and Stable Commodity Rate Residential Service Deferral Account by way of respective rate Riders for each deferral account; and
- B. Section 8 of Commission Order No. G-24-04 approved deferral account treatment and cost recovery methodology, including a 3 year amortization period that included Allowance For Funds Used During Construction for the program development costs incurred in the implementation of the Commercial Commodity Unbundling Program ; and
- C. Section 12 of Commission Order No. G-24-04 approved deferral account treatment and cost recovery for the implementation costs and annual operating costs of providing the Stable Commodity Rate Residential Service Program; and
- D. The Commission has reviewed the Terasen Gas applications and is satisfied that the rate Riders and proposed recovery is appropriate and in the public interest.

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NOW THEREFORE the Commission orders as follows:

1. The Commission approves for Terasen Gas the recovery of costs by way of a Rate Rider for the Commercial Commodity Unbundling Program Deferral Account. Rate Rider 8, as a Midstream Cost Recovery Charge for Rate Schedules 2, 2U, 3, and 3U customers excluding Revelstoke and Fort Nelson, is set at \$0.056/GJ effective January 1, 2005.
2. The Commission approves for Terasen Gas the recovery of costs by way of a Rate Rider to the Stable Commodity Rate Residential Service Program Deferral Account. Rate Rider 9, as a Commodity Related Rider for recovery of Stable Commodity Rate Residential Service Program costs for Rate Schedule 1 and 1S customers excluding Revelstoke and Fort Nelson, is set at \$0.006/GJ effective January 1, 2005. The Rate Schedule 1S Stable Rate Charge is reset from \$7.591/GJ to \$7.585/GJ effective January 1, 2005. The commodity related charges for Rate Schedule 1S customers effective January 1, 2005 will consist of the revised stable rate charge of \$7.585/GJ, the midstream cost recovery charge of \$0.799/GJ and the new rate Rider charge of \$0.006/GJ. These charges will continue to total \$8.390/GJ.

DATED at the City of Vancouver, in the Province of British Columbia, this 10th day of December 2004.

BY ORDER

Original signed by:

K.L. Hall
Commissioner