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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-106-05

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

and

Terasen Gas Inc. – 2005 Annual Review

BEFORE: L.F. Kelsey, Commissioner October 24, 2005
L.A. Boychuk, Commissioner

O R D E R

WHEREAS:

- A. On September 30, 2005 Terasen Gas Inc. (“Terasen Gas”) proposed a regulatory timetable for its 2005 Annual Review that included a filing of Annual Review materials by October 17, 2005, an Annual Review on November 10 and a Commission Decision by December 9, 2005; and
- B. Commission Order No. G-51-03 approved for Terasen Gas, the Settlement Agreement for a 2004-2007 Multi-Year Performance-Based Rate Plan (“PBR”); and
- C. The terms of the Settlement Agreement for the 2004–2007 PBR for Terasen Gas included an expanded annual review to provide considerable information on its current and future year activities, along with statistics on its quality of service provided and its compliance with the code of conduct and transfer pricing policy. At each annual review, the Company will update its forecast of customer additions, use per account and industrial revenues. The impact on revenues resulting from the updated forecasts will be flowed through in delivery rates in the following year. The settlement also provides for the flow through of the impacts of changes approved by BCUC orders and exogenous factors; and
- D. Terasen Gas considers that the proposed changes in the regulatory timetable and the Annual Review process address the stakeholders’ request for an improved process while adhering to the spirit and intent of Order No. G-51-03; and
- E. Terasen Gas stated that it discussed its proposed changes with several stakeholders including representatives from the B.C. Old Age Pensioners Organization et. al., the Ministry of Energy, Mines and Petroleum Resources, the Lower Mainland Large Volume Gas Users Association and the Inland Industrials. Terasen Gas stated that all stakeholders support the efforts to enhance the Annual Review and increasing the length of time; and
- F. By Order No. G-104-05, the Commission approved Terasen Gas’ proposed regulatory timetable with the time and location to be determined later; and

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- G. By letter dated October 17, 2005, Terasen Gas advised the Commission and parties to the 2004-2007 negotiated settlement that two significant elements in the 2005 Annual Review material required updating, namely the customer mix related to movements in the Rate Classes 2 and 3 and the forecast average customer use rates for core rate classes. Terasen Gas anticipated filing the Annual Review material on October 19, 2005 and proposed that the deadline for information requests be extended to October 27, 2005. Terasen Gas proposed that all other dates on the regulatory timetable established by Order No. G-104-05 remain fixed. On October 19, 2005, Terasen Gas filed its Annual Review material; and
- H. By letter dated October 21, 2005, Terasen Gas advised the Commission and parties to the 2004-2007 negotiated settlement that the 2005 Annual Review could be held commencing at 9:00 a.m. on November 10, 2005 in the Third Floor Hearing Room, 855 Homer Street, Vancouver B.C.; and
- I. The Commission has reviewed the Terasen Gas submissions and considers that an amendment to the regulatory timetable for the 2005 Annual Review is warranted.

NOW THEREFORE the Commission orders as follows:

1. The Commission will hold an Annual Review of Terasen Gas' 2006 Revenue Requirement material commencing at 9:00 a.m. on Thursday, November 10, 2005 in the Third Floor Hearing Room, 855 Homer Street, Vancouver B.C.
2. Those persons wishing to participate in the Terasen Gas Annual Review are to advise the Commission Secretary in writing of their intention to do so, no later than Friday, November 4, 2005.
3. The deadlines for information requests and responses on the Annual Review material are set out in the Revised Regulatory Timetable attached as Appendix A to this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of October, 2005.

BY ORDER

Original signed by:

L.A. Boychuk
Commissioner

**Terasen Gas Inc.
2005 Annual Review**

REVISED REGULATORY TIMETABLE

<u>Action</u>	<u>Date 2005</u>
Information Requests issued to Terasen Gas	Thursday, October 27
Participants to advise the Commission Secretary of their interest in attending the Annual Review	Friday, November 4
Terasen Gas' response to Information Requests	Monday, November 7
Terasen Gas Annual Review	Thursday, November 10
Intervenor Comments filed	Friday, November 25
Terasen Gas Reply Comments	Friday, December 2
Anticipated Commission Decision	Friday, December 9

Location and time of Annual Review:

Date: Thursday, November 10, 2005
Time: 9:00 a.m.
Location: Third Floor Hearing Room
855 Homer Street
Vancouver B.C.