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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-26-06

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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.
for Approval of a Propane Cost Increase to Rider A
effective April 1, 2006**

BEFORE: L.F. Kelsey, Commissioner March 16, 2006
L.A. Boychuk, Commissioner

O R D E R

WHEREAS:

- A. Commission Order No. G-88-05 approved for Terasen Gas (Whistler) Inc. ("Terasen Whistler") an increase in Rider A to \$4.470 per gigajoule effective October 1, 2005; and
- B. On March 7, 2006, Terasen Whistler filed its 2006 First Quarter Report which projected an after-tax debit balance in the Propane Cost Deferral Account of \$446, 000 at April 1, 2006, and forecast that this balance would increase to \$698,000 by April 1, 2007. Terasen Whistler stated that the forecast deficit translates to a 7.45 percent increase in rates, and that this is outside the accepted 95 to 105 percent deadband range; and
- C. In the 2006 First Quarter Report, Terasen Whistler requested an increase in Rider A of \$1.364 per gigajoule to \$5.834 per gigajoule, effective April 1, 2006. The proposed rate increase will increase the annual bill for a typical residential customer by approximately 7 percent; and
- D. In the 2006 First Quarter Report, Terasen Whistler used a propane price forecast that was derived from forward crude oil prices on the NYMEX exchange on February 22, 2006. On March 9, 2006, in response to an information request, Terasen Whistler provided a propane price forecast that was based on forward prices for propane on the NYMEX exchange, and which showed forecast prices that are significantly lower than those in the 2006 First Quarter Report; and

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- E. Considering the uncertainty in the propane price projections and the ratio of forecast propane revenue to costs, the Commission is not persuaded that a change to the propane rate for Terasen Whistler is necessary at this time.

NOW THEREFORE pursuant to section 61(4) of the Utilities Commission Act, the Commission orders as follows:

1. Terasen Whistler's request to increase Rider A effective April 1, 2008, as set out in the 2006 First Quarter Report, is denied.

DATED at the City of Vancouver, in the Province of British Columbia, this 17th day of March 2006.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner