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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-164-06

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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 Inc.
(Fort Nelson Service Area)
for Approval to Amend its Schedule of Rates**

BEFORE: L.F. Kelsey, Commissioner December 14, 2006

O R D E R

WHEREAS:

- A. Commission Order No. G-17-04 approved for Terasen Gas Inc. Fort Nelson Service Area ("Terasen Fort Nelson") its 2004 Revenue Requirement Application which included the implementation of a Rate Stabilization Adjustment Mechanism ("RSAM") effective January 1, 2004; and
- B. The approved RSAM deferral account records the difference on a use per customer basis between forecast delivery margin used for rate making purposes and actual margin received from residential and commercial customers. For industrial (Rate 25) customers, the RSAM account records margin variations arising from the difference between forecast and actual deliveries. The amounts recorded in the RSAM account would be amortized over the subsequent three-years for recovery from or refunded to customers by way of a positive or negative rider on rates; and
- C. On December 4, 2006 as revised on December 14, 2006, Terasen Fort Nelson filed its 2006 Fourth Quarter Report on gas supply costs and Gas Cost Reconciliation Account ("GCRA") balances ("the Report"). In accordance with the GCRA Guidelines, Terasen Fort Nelson proposes that no rate change related to gas commodity costs be made at this time; and

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D. The Report forecasts a RSAM 2006 year-end debit balance of \$141,638 (net of tax) and in accordance with Commission Order No. G-17-04, Terasen Fort Nelson requests approval to increase the RSAM rider from \$0.039/GJ to \$0.073/GJ for Rate 1 Residential, Rate 2.1 Small Commercial, Rate 2.2 Large Commercial, Industrial Service Rates 3.1, 3.2 and 3.3 and Rate 25 General Firm Transportation effective January 1, 2007; and

E. The Commission has reviewed the Application and finds that approval is warranted.

NOW THEREFORE the Commission orders as follows:

1. No change in gas commodity costs for Terasen Fort Nelson is required at this time.
2. The requested RSAM rider increase from \$0.039/GJ to \$0.073/GJ is approved for Rate 1 Residential, Rate 2.1 Small Commercial, Rate 2.2 Large Commercial, Industrial Service Rates 3.1, 3.2 and 3.3 and Rate 25 General Firm Transportation effective January 1, 2007.
3. Terasen Fort Nelson is to provide information to all customers affected by the rate changes set out in this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 15th day of December 2006.

BY ORDER

Original signed by

L.F. Kelsey
Commissioner